

SUSTAINABILITY REPORT 2013



TABLE OF CONTENTS

LEADERSHIP MESSAGE	4
Letter from the Chief Executive Officer	4
Letter from the Sustainability Coordinator	7
ŞİŞECAM AT A GLANCE	8
Global Scale and Presence	10
Group Structure	11
Financial Performance	16
Corporate Governance	18
SUSTAINABILITY ROADMAP	22
Our Sustainability Approach	23
Global Standards and Initiatives	26
Research & Technological Development and Innovation	29
Our Stakeholders and Material Aspects	33
PROTECTING THE ENVIRONMENT	38
Policy and Action	39
Energy Management	42
Greenhouse Gas (GHG) Mitigation	46
Waste Management	51
OPTIMIZING OUR SUPPLY CHAIN	52
THRIVING ECONOMIES	56
Economic Impact	57
Indirect Economic Value	58
Contributing to Job Creation	58
PEOPLE AND WORKPLACE	59
Policies and Career Advancement Programs	60
Employee Engagement	62
Diversity and Inclusion	65
Occupational Health and Safety	67
Strong Industrial Relations	71
BUILDING OUR SOCIAL CAPITAL	72
Contributing to Education	73
Contributing to Cultural Values	74
Contributing to Environmental Values	75
Contributing to Sports	78
AWARDS AND RECOGNITION	79
LOOKING BACK, LOOKING FORWARD	84
GRI INDEX	86

LEADERSHIP
MESSAGE
4 to 7



ŞİŞECAM
AT A GLANCE
8 to 21



PEOPLE
AND
WORKPLACE
59 to 71



SUSTAINABILITY
ROADMAP
22 to 37



PROTECTING
THE ENVIRONMENT
38 to 51



THRIVING
ECONOMIES
56 to 58



BUILDING
OUR SOCIAL CAPITAL
72 to 78



AWARDS
AND RECOGNITION
79 to 83

“Sustainability is part of our business DNA. We operate responsibly, and in this time of rapid change, sustainability remains tightly linked to our business strategy.”



Letter from the Chief Executive Officer

With operations in 13 countries, sustainability is inherent to our business. Since 1935, and for nearly 80 years now, we have been building our legacy as a responsible company. Our responsible development strategy is inspired by our mission to respect people, respect the environment and create high-quality and energy-efficient products that enhance people's lives.

We strive to be responsible corporate citizens, and our success along that path is underpinned by our technological expertise, operational excellence and unwavering ethical standards. Our reputation and legacy brings with them great responsibilities for the future. We have prioritized energy efficiency, energy consumption, and energy management systems within all aspects of our business operations. We are currently working with our local government and public media to increase awareness of environmental management issues.

Sustainability is part of our business DNA. We operate responsibly, and in this time of rapid change, sustainability remains tightly linked to our business strategy. We focus our sustainability efforts on the three areas where we can achieve the greatest impact: *Energy Efficiency, Innovation and International Operating Standards*.

INTRODUCTION

We live in a world that is more interconnected, more interdependent and more interactive than ever before. Rapid technological advances in particular continue to have a profound effect on the economic, political, cultural, environmental and social landscape. These advances have changed the way we think and act. They have altered the way we do business. They have transformed the products and services we consume, and reshaped our perceptions of the world around us. While this transformation has brought with it significant benefits and opportunities, it has also created far greater awareness of the challenges we all face.



2013 PERFORMANCE

2013 was a challenging year for all, and our anticipated robust growth after the global crisis fell short of expectations. However, we still managed to increase our revenues and grow steadily despite the market conditions. Our Group continued its existing investments and initiated new investments within the framework of previously established long-term strategies. At the end of 2013, the combined volume of investment expenditures reached TL1.674 million. In the same year, our Group successfully managed to: increase revenues by 12% in terms of local currency, maintain primary strategies in line with sustainable growth targets, and increase revenues through market diversification, product and service quality. We also demonstrated an impressive performance in relation to international sales, as our combined turnover rose by 12%, reaching TL5,9 billion in 2013.



ENERGY EFFICIENCY

We have high expectations when it comes to energy efficiency management, as our energy consumption is among the highest in our country. We consume approximately 1,5 billion m³ of natural gas. We have established systematic policies and processes to measure, monitor and improve our energy management performance. We achieved important gains in terms of energy efficiency by focusing on carbon emissions reduction to combat climate change. We set up a facility that generates electricity from waste-heat recovery in our plants, and we have started setting up similar systems in two of our facilities. We reassessed our production activities in terms of energy efficiency and completed energy studies for a vast portion of our domestic plants. We have also increased the range of our products that provide energy efficiency and environmental benefits.

Strong results require effective risk management. They require long-term planning. They also require a relentless focus on operational integrity and best practices. As you will read in this report, we focus on long-term incremental improvements that drive sustainable results.

We believe in the business case for sustainability, and we see every efficiency opportunity as a business opportunity. Our energy efficiency management program is closely linked with our cost management systems. We view our journey in three simple phases: compliance, efficiency and innovation. We are now in the second stage of this process, and our success in international markets depends on our ability to lead with the energy issue, improve our processes and reduce our costs. This phase will prepare us for the platform of institutionalized innovation within a couple of years.



INNOVATION

The future of glass as a product that enhances lives while maintaining a competitive advantage in the marketplace is the core driver of our research and technological development (R&TD) activities. To this end, we have developed and launched our world-class research and technology development center: the first of its kind in Turkey and one of the few in Europe. We have great plans for the future, and these plans support and sustain our efficiency, our innovation and the value-added products created and produced in our research and technological development center. We are firm believers in pre-competitive collaboration and work closely within the industry to share resources, knowledge and best practices for advancing innovation within the glass life cycle. Through the center, we bring sustainability to life by improving energy-saving glass products which can significantly reduce the need for heating and cooling in buildings, thereby reducing energy consumption and associated CO₂ emissions.



OPERATING RESPONSIBLY

Şişecam aspires to be the best by setting a strong leadership example and by being the benchmark standard in Turkey. Sustainability can help us not only maintain our legacy as the best in the country but also provide us the leverage to expand internationally. We make it a priority to comply with all applicable legal and regulatory requirements and, to the extent we determine it appropriate, adopt more stringent standards for the protection of our employees and the communities in which we operate.



INTERNATIONAL OPERATING STANDARDS

We acknowledge our impact and commit to international standards to ensure performance management and mitigate that impact. As a local company with international operations, we set ambitious targets; adopt best practices; comply with global standards; and engage with key stakeholders to advance legislation related to the sustainability agenda. As a global brand with operations in developing countries, we see an opportunity to lead by example and increase regional awareness of the sustainability subject.

We make significant investments in systems improvement. The purpose of these investments is to advance our environmental and social standards. In 2013, we spent a total of TL40 million, particularly in environmental operations, plant-treatment investments and waste disposal.

In order to become a preferred employer, we continued to develop our human resource management by adopting a performance-oriented approach and providing enhanced career-planning opportunities. By placing our employees in internationally renowned education programs, we build our internal capacity while investing in the future of Şişecam. All of our achievements would not be possible without the dedication of our people - nearly 20.000 employees across 13 countries. We strongly believe in a sustainable workforce and continue to actively train our people worldwide. We embrace a culture of innovation in our people practices and maintain our competitive advantage in the marketplace.

As a global brand with operations in developing countries, our sustainable development strategies extend beyond our primary stakeholder groups and include the consideration of future generations and natural resources. Our vision is to expand internationally through creating lasting value for all stakeholders, including our shareholders and business partners. Our contributions and efforts focus on making a significant difference in the lives of people around the world - now and for generations to come.

Almost no other man-made material, except glass, provides so many options and opportunities across a spectrum of industries. It is virtually an unlimited material that is constantly evolving and increasingly utilized in the applications of tomorrow. All in all, we believe glass products have a very bright future.

Prof. Dr. AHMET KIRMAN
Vice Chairman and CEO

“We look at efficiency in every aspect of our business processes and work hard to optimize efficiency. Without the efficiency element embedded in the DNA of our business and everything we do, we simply cannot survive in the marketplace.”



Letter from the Sustainability Coordinator

Long before sustainability became a popular topic, Şişecam was paying attention to these issues. Şişecam has a legacy of caring about the environment, our employees and the social values of the countries in which we operate. Our sustainable development strategy is inspired by our mission to respect people and the environment and create high-quality and energy-efficient products that enhance people's lives.

We look at efficiency in every aspect of our business processes and work hard to optimize efficiency. Without the efficiency element embedded in the DNA of our business and everything we do, we simply cannot survive in the marketplace.

We have prioritized energy efficiency, energy consumption, and energy management systems within all aspects of our business operations, by taking account the reduction on energy related GHG emissions. These are the shifters, shapers and drivers of the new phase of sustainability.

There are promising opportunities for efficiency within Şişecam. My role as the Sustainability Coordinator focuses on environment, energy efficiency, energy supply, and supply chain issues. For the new phase of our sustainability strategy, we are focusing on three key steps. The first is the centralization of certain functions for which there is a business case. The second is the implementation of global and industry best practices in all of our factories, everywhere. And the third step is improving business group functions through integrating replicable models within the planning of the supply chain activities of all business groups. These three steps are the foundational processes that will ensure our position as a global firm.

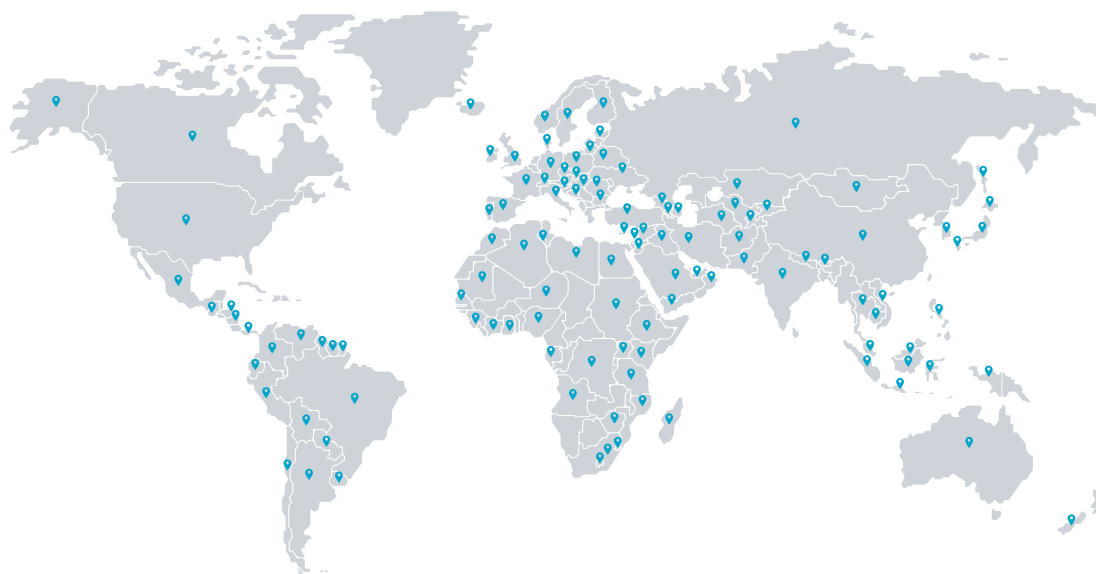
This is our first Sustainability Report and it is an opportunity to reaffirm the commitments we make to our shareholders, suppliers, employees, customers and communities regarding our sustainability performance. Prepared in accordance with the Global Reporting Initiative [GRI] G4 Guidelines, this report covers our operational activities in Turkey from 2013 to 2014.

Mr. SERDAR GENÇER
Sustainability Coordinator



Şişecam at a Glance

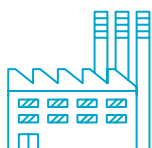
- GLOBAL SCALE AND PRESENCE
- GROUP STRUCTURE
- FINANCIAL PERFORMANCE
- CORPORATE GOVERNANCE



EXPORT TO

150

COUNTRIES

PRODUCTION
FACILITIES IN**13**

COUNTRIES

OVERALL
SALES OF**TL5.954
million**

TOTAL OF

20.241

EMPLOYEES

Founded in 1935 by Türkiye İş Bankası A.Ş. upon the directive of Atatürk, Şişecam Group has a dominant market position in Turkey and has ambitious plans for international expansion. The Group's core operating companies rank No. 1 in sales in Turkey and are supported by strong local brands and distribution networks. Şişecam Group's product diversity is strong among peers, although the Group is predominantly a glass manufacturer. Its key segments are Flat Glass, Glassware and Glass Packaging, as well as Chemicals, which support glass production. Şişecam Group's production facilities are located in 13 countries and embedded in their economies. The Group's international sales constitute approximately 47% of total sales, resulting from exports to 150 countries. Şişecam Group has the ambitious goal of transforming from a regional leader into a global player, and as such has undertaken large-scale investments outside Turkey in recent years.

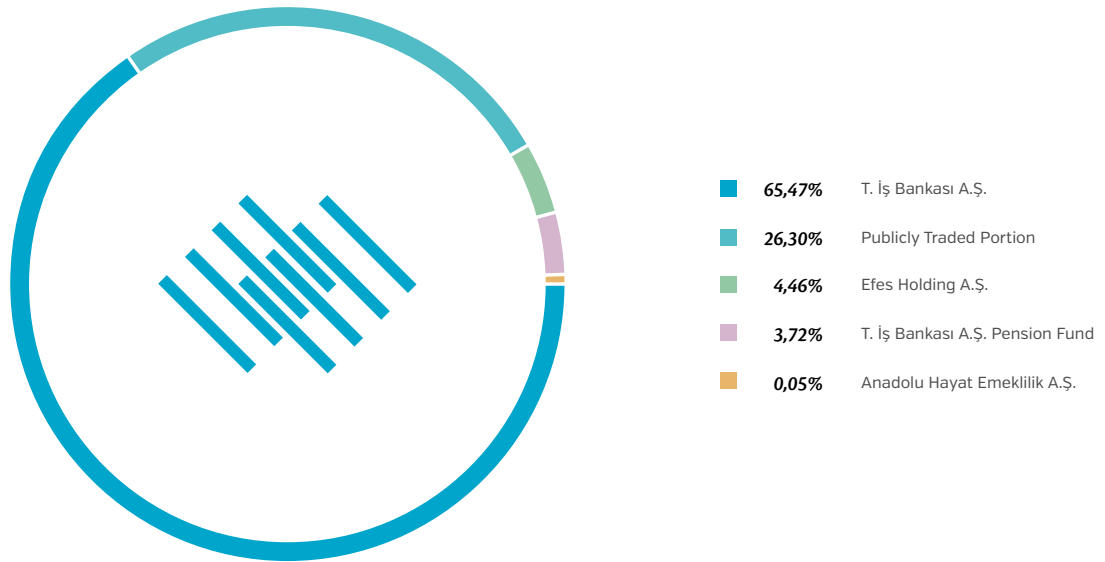
Global Scale and Presence

With our history dating back to 1935, Şişecam Group upholds a great legacy in the glass and chemical industries in Turkey and the region. We have successfully penetrated into international markets, spreading our production activities and exports to multiple countries. The combination of our long-standing tradition of delivering quality products, continued global investments and future-ready outlook has enabled us to be regarded as one of the most valued brands in Turkey and around the world.

As of December 31, 2013, we had a total of 20.241 employees, with 13.101 in Turkey, working at the intersection of our sustainability journey and our strategic imperatives in our four main lines of business—Flat Glass, Glassware, Glass Packaging and Chemicals.

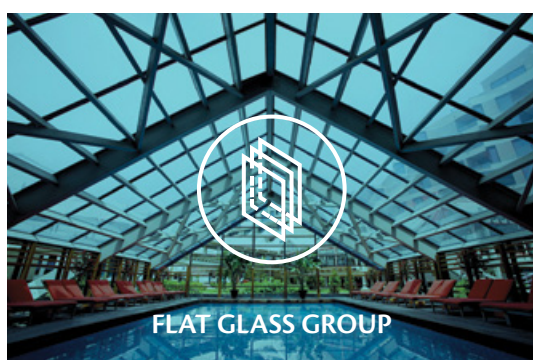
Since 1986, the shares of Şişecam have been publicly traded on the Borsa Istanbul A.Ş., formerly named Istanbul Stock Exchange. As of the balance sheet date, İş Bankası holds 65,47% of the shares and retains the control of the Group.

STOCK OWNERSHIP



Group Structure

Şişecam Group (Şişecam) consists of a holding company, Türkiye Şişe ve Cam Fabrikaları A.Ş., 57 subsidiaries, five joint ventures and three associates. Since our inception, we have progressively transformed into a global industrial powerhouse with a wide range of cutting-edge products in Flat Glass, Glass Packaging, Glassware and Chemicals. With the international standing and diversified product portfolio we have today, we have built a robust organizational platform in which we embed our long-term sustainability commitment and performance. We comply with and benchmark ourselves against leading international standards and practices in sustainability; we seek continuous operational improvements across all our businesses to reduce our environmental footprint and create a safe working environment for all our employees; and we work together with our stakeholders to create long-term value and impact in all the markets where we operate.



Our Flat Glass Group is the leader in the flat glass market in Turkey and the pioneer of the region. It is ranked the 6th flat glass producer in the world and the 4th in Europe.



Our Glassware Group performs design, production, marketing and sales of table and kitchen articles, as well as souvenirs made of glass. It is the world's 3rd largest glassware producer and the 2nd largest in Europe.



Our Glass Packaging Group produces designed glass packaging; it is 4th in Europe and 5th in the world in terms of production capacity.



Our Chemicals Group produces soda, one of the main raw materials of the glass industry. It is the 4th largest soda ash producer in Europe and the 10th largest in the world. In addition to soda, the Chemicals Group also produces chromium chemicals, glass fiber, industrial raw materials, electricity, vitamin K3 derivatives and sodium metabisulphite.



Ranked **6th** flat glass producer in the world and **4th** in Europe



FLAT GLASS GROUP

Founded in 1978, our Flat Glass Group is the leader of the flat glass market in Turkey and the pioneer of the region. Ranked as the sixth flat glass producer in the world and the fourth in Europe, Flat Glass Group employs the latest technologies in production and operates in the fields of: basic glass (flat glass, patterned glass, mirror, laminated glass, coated glass, glass for architectural applications), automotive glass and glass for other vehicles, energy glass, and glass for home appliances.

PRODUCTION FACILITIES IN TURKEY

- Trakya Cam San. A.Ş.
Trakya Plant - Kırklareli
Otocam Plant - Kırklareli
Mersin Plant - Mersin
- Trakya Yenişehir Cam San. A.Ş. - Bursa
- Trakya Polatlı Cam San. A.Ş.* - Ankara

*Started its operation in 2014

PRODUCTION FACILITIES ABROAD

- Trakya Glass Bulgaria EAD - Bulgaria
Float Plant
Autoglass Plant
Glass Processing Plant
- Richard Fritz Holding GmbH - Germany, Slovakia, Hungary
- GlassCorp SA - Romania
- HNG Float Limited (JV) - India
- SG Glass Egypt SAE (JV) - Egypt
- Trakya Glass Rus ZAO (JV) - Russia*

*Started its operation in 2014

BRANDS

- TRC Helio Clear®
- TRC Helio extra clear®
- TRC Helio®
- Isicam®
- Isicam Sinerji®
- Isicam Konfor®
- sicism Konfor® T
- Isicam Sinerji® 3+
- Isicam Konfor® 3+
- TRC Ecotherm
- TRC Ecosol®
- TRC Coolplus T
- TRC Termoplus T
- TRC Tentosol®
- TRC Tentosol T®
- TRC Aura Reflekta
- TRC Lameks®
- TRC Lameks extra clear
- TRC Acoustic Lameks®
- TRC Duracam®
- TRC Elit Glass
- TRC Deco classic®
- TRC Deco wired®
- TRC Helio matt
- TRC Flotal®
- TRC Flotal extra clear
- TRC Flotal E
- TRC Gökkuşağı®
- TRC Durasolar® P+
- Duracam®
- Lameks®
- Toflex®
- Toglas®
- Fritz®



Ranked **3rd** in
the world and
2nd in Europe

GLASSWARE GROUP

Among the largest companies in the global glassware industry, our Glassware Group performs design, production, marketing and sales of table and kitchen articles, as well as souvenirs made of glass.

The Group, offers its customers over 20.000 glassware items of automated and handmade production in three different segments: household, HoReCa, industry sectors. It is the third-largest glassware producer in the world and the second largest in Europe. The Group has a retail chain business, that offers a wide range of products to its customers for tabletop and kitchen and has a paper-cardboard packaging business which is among the leading companies in the business.

PRODUCTION FACILITIES IN TURKEY

- Paşabahçe Cam San. ve Tic. A.Ş.
Kırklareli Plant - Kırklareli
Mersin Plant - Mersin
Eskişehir Plant - Eskişehir
- Denizli Cam San. ve Tic. A.Ş - Denizli
- Camişi Ambalaj Sanayii A.Ş.
Tuzla Plant - İstanbul
Eskişehir Plant - Eskişehir
- Paşabahçe Mağazaları A.Ş.
[Retail chain with 42 stores]

PRODUCTION FACILITIES ABROAD

- Trakya Glass Bulgaria EAD-Tableware Plant – Bulgaria
- Paşabahçe Posuda Limited – Russia

BRANDS

- Paşabahçe
- Borcam
- F&D
- Denizli
- Paşabahçe Porselen
- Lara
- Paşabahçe Mağazaları



Ranked **5th** in the world and **4th** in Europe



GLASS PACKAGING GROUP

Our Glass Packaging Group produces designed glass packaging of different colors and sizes for the food, water, mineral water, fruit juice, milk, beer, wine and other high-alcohol drinks, pharmaceutical and cosmetic sectors. It is fourth in Europe and fifth in the world in terms of production capacity.

PRODUCTION FACILITIES IN TURKEY

- Anadolu Cam San. A.Ş.
Mersin Plant - Mersin
- Anadolu Cam Yenişehir San. A.Ş. - Bursa
- Anadolu Eskişehir San. A.Ş.* - Eskişehir

**Started its operation in 2013*

PRODUCTION FACILITIES ABROAD

- OOO Ruscam - Russia
- OOO Ruscam Ufa - Russia
- OAO Rucam Pokrovsky - Russia
- OOO Ruscam Kuban - Russia
- OOO Ruscam Kirishi - Russia
- Merefa Glass Company - Ukraine
- JSC Mina - Georgia
- OOO Balkum - Russia



CHEMICALS GROUP

The fundamental operations of the Chemicals Group are being carried out by Soda Sanayii A.Ş., which was founded in 1969 to produce soda, one of the main raw materials of the glass industry. It is the fourth-largest soda ash producer in Europe and the tenth largest in the world. In addition to soda, the Chemicals Group also produces chromium chemicals, glass fiber, industrial raw materials, electricity, vitamin K3 derivatives and sodium metabisulphite.

PRODUCTION FACILITIES IN TURKEY

- Soda San. A.Ş. - Mersin
Soda Plant
- Kromsan Chromium Compounds Plant
- Camiş Madencilik A.Ş.*
- Cam Elyaf San. A.Ş. - Kocaeli
- Oxyvit Kimya San. ve Tic. A.Ş. - Mersin
- Camiş Elektrik A.Ş. - Kırklareli

**19 mineral processing plants and 70 licensed mine sites in Turkey.*

Karabük Çatak Quartz Sand Mining Facility started its operation in 2013.

PRODUCTION FACILITIES ABROAD

- Şişecam Soda Lucavac d.o.o. – Bosnia Herzegovina
- Cromital S.p.a – Italy
- Camiş Egypt Mining Ltd. Co. – Egypt
- Solvay Sodi AD [JV] – Bulgaria
- Rudnik Kecnjaka Vijenac. [JV] – Bosnia Herzegovina



Ranked **10th**
largest soda ash
producer in the
world and **4th** in
Europe

Ranked **1st**
largest sodium
dichromate and
basic chromium
sulphate
producer in the
world

Ranked **3rd**
largest chromic
acid producer in
the world

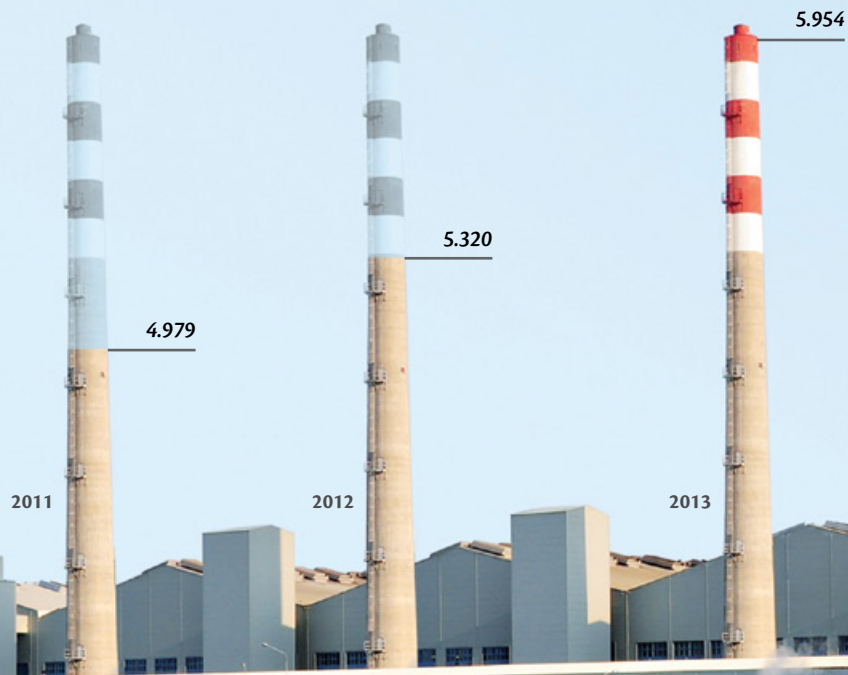
Financial Performance

Despite the economic challenges within the global markets, Şişecam increased its overall sales in 2013, amounting to TL5.954 million.

Şişecam is the leader in Turkey in its fields of business, encompassing all the key areas of glass production (i.e., flat glass, glassware, glass packaging and glass fiber) and soda ash and chromium compounds. Maintaining this leadership demands continuous focus not only on financial indicators but also on the key drivers of financial performance, which include brand management, business integrity, commitment to global standards, and strong collaboration with our key internal and external stakeholders across all areas of our business.

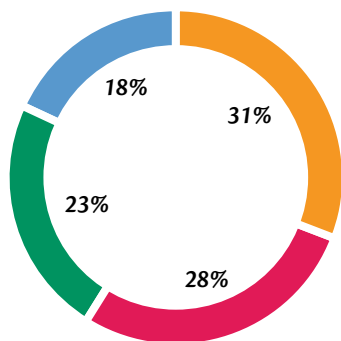
TOTAL SALES

Turkish Lira (millions)



SHARE OF INTERNATIONAL SALES

Şişecam successfully executed its strategic agenda by enhancing its sales network. Domestic sales, which represented 53% of total sales in 2013, reached TL3.153 million, while international sales amounted to TL2.801 million. The Chemicals Group, Glassware Group, Glass Packaging Group and Flat Glass Group contributed 31%, 28%, 23% and 18%, respectively, to global sales.

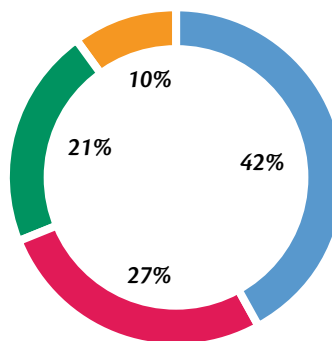


■ Flat Glass Group

■ Glass Packaging Group

DISTRIBUTION OF INVESTMENTS

In addition to strengthening our position in international markets, investments undertaken increased by more than 50%. In 2013, the Flat Glass, Glass Packaging, Glassware and Chemicals groups have a share of 42%, 21%, 27% and 10% of the investments, respectively.



■ Glassware Group

■ Chemicals Group



For information on all entities included in our financial statements, please read our *Annual Report*.

Corporate Governance

Our corporate governance policies are underpinned by our principles of equality, transparency, accountability and responsibility.

Our strong commitment to corporate governance, our market research and our technological development orientation are the pillars of Şişecam's vision to be a global industry leader. Our adoption of corporate governance principles and adherence to best practices are paramount to our business performance. We believe that a well-executed governance model is the basis for ensuring our integrity and realizing our long-term vision. As such, we have appointed board members and top-level senior managers with the breadth of skills, experience and perspective to evaluate our performance objectively and provide strategic direction based on our long-term goals and values.

OUR VISION

“While rising to the top as one of the leading global companies in glass and our other business lines, Şişecam will team up with business partners to deliver innovative solutions; distinguish itself through high-end technology and global brands; and ensure great respect for individuals and the environment.”

ELEMENTS OF OUR VISION

- ***Continuous development with innovative ideas***
- ***Globally recognized brands***
- ***Being a solution and growth partner for our customers through innovative solutions***
- ***Distinguishing our company through high-end technology***
- ***Environmental awareness and a sustainable approach to production***

OUR MISSION

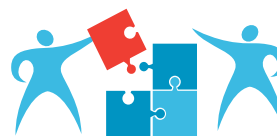
“To be a company that adds value to life through its high-quality products, offering comfort, and that respects people, nature and the law.”

OUR VALUES



WE DERIVE STRENGTH FROM OUR TRADITIONS AND SUPPORT ONE ANOTHER

- We shall initiate changes that would create a successful future based on strength from our experience and knowledge.
- We shall enhance our reputation through our sustainability commitments and results-oriented approach.
- We shall maintain our legacy and tradition, and it shall be our duty to pass these onto the future generations.



WE THRIVE AND DEVELOP ONE ANOTHER

- We shall encourage each other to constantly develop our skills.
- We shall continuously be open to changes that would bring us closer to our vision; and we shall make efforts to develop and improve each other with the help of our stakeholders.
- We shall consider creativity and innovation as a means of development, and inspiration.



WE EXHIBIT A FAIR AND TRANSPARENT MANAGEMENT APPROACH

- We shall treat all of our stakeholders equally, and we shall pursue win-win strategies that benefit both our stakeholders and our business.
- We shall measure the performance with the same scales, and make the performance evaluations in a fair manner.
- We shall act consistently toward our stakeholders; and we shall not give promises we cannot keep.



WE CARE FOR OUR ENVIRONMENT

- We shall commit to our business to achieve the growth and profitability expectations of our shareholders and business partners.
- We shall be customer-focused; we shall quickly respond to suggestions and complaints of our customers, and improve the quality of products and services.
- We shall closely monitor technologies and make appropriate investments as part of our responsibility to the environment and nature; We shall also promote awareness on these issues.

WE RESPECT DIFFERENCES



- We shall hire employees from different countries and different cultures; we know that this diversity shall add value to our business.
- We shall freely express our different opinions.
- We shall allow different job categories to work as a team, to learn from each other, and to develop each other in order to sustain our shared-values.

SUSTAINABILITY GOVERNANCE

Sustainability is an integral part of our all-inclusive approach to promote efficiency, protect the environment and create social impact. Because of the intrinsic value of sustainability to our business, we established a Sustainability Coordinatorship in August 2013. The coordinator of this department is a member of the Executive Committee, reports directly to the General Manager, and oversees four functions:



Coordinates projects aimed at developing and implementing principles to monitor, report on and continuously improve the Group's environmental performance.



Continuously creates improvement and saving plans with the activity groups and ensures the implementation of such plans. Monitors and develops energy efficiency systems across plants and units.



Supplies Şişecam's energy needs, particularly natural gas and electricity, by evaluating opportunities for bulk purchases in order to create competitive advantage.



Creates supply chain policies and strategies, turns the supply chain function into a competitive advantage for the Group, and identifies opportunities for synergy among activity groups to support profitable growth.

BUSINESS ETHICS AND INTEGRITY

Code of Conduct

Our corporate governance includes the Şişecam Code of Conduct, which articulates the standards of business conduct and expectations for employees in dealing with customers, suppliers, shareholders and other stakeholders. As stated in our general principles, top-level Executive Committee and Audit Committee members are responsible for effective implementation of the Code of Conduct of the Şişecam. All employees are obliged to behave in accordance with the Code of Conduct.

Anti-Bribery and Anti-Corruption

We have adopted the anti-bribery and anti-corruption policy as part of Şişecam's business ethics. Integrated into our Code of Conduct, our anti-bribery and anti-corruption principles highlight Şişecam's approach to complying with laws and regulations applicable in all our countries of operation and representation. Enforcing a "zero tolerance" policy to bribery and corruption, Şişecam steadfastly ensures that business undertakings are in accordance with legal and ethical rules. To learn more, please read the Anti-Bribery and Anti-Corruption Policy from our website.



To learn more, please
read our *Code of
Conduct*.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Part of our corporate governance framework is a rigorous approach to risk management. Şişecam applies effective risk management and internal audit processes to deliver strong performance, maintain compliance with legislation, enforce corrective actions in a timely manner, and mitigate risks for stakeholders. We believe that having a holistic view of risks enhances our ability to anticipate issues and maximize our performance.

These activities at Şişecam are structured within the body of the Parent Company and reported to the Board in accordance with the legislation. Regular audits are performed in all domestic and international subsidiaries of the Group, and the scope of these audit programs are approved by the Board.

As for maintaining policies, updates, processes and procedures at Şişecam, the General Directorate is responsible for these activities. Revisions are sent to the Executive Board for approval and then communicated to stakeholders.

The committees that make up the Board assist with overseeing compliance, and with reviewing the standards and performance of our business activities. The Audit Committee, Corporate Governance Committee and Risk Committee have been established in accordance with the Corporate Governance Principles, and their responsibilities are disclosed to the public.

To learn more about the committees, Board composition, compliance and other relevant policies, please read our Annual Report 2013, Board of Directors, Wages Policy of the Senior Executives and Report on Compliance with Corporate Governance Principles.



Sustainability Roadmap

- OUR SUSTAINABILITY APPROACH
- GLOBAL STANDARDS AND INITIATIVES
- RESEARCH & TECHNOLOGICAL DEVELOPMENT AND INNOVATION
- OUR STAKEHOLDERS AND MATERIAL ASPECTS

Our Sustainability Approach

Alongside our continued focus of building on our legacy, Şişecam is adopting a challenging roadmap to guide our future efforts and initiatives. This roadmap establishes goals for strong, relevant key performance indicators for our business; leadership in compliance with international sustainability standards; excellence in research and technological development; and a robust process of working with our stakeholders and re-identifying priority issues for our business. Our approach guides our business choices, customer orientation, community affairs and industrial relations.

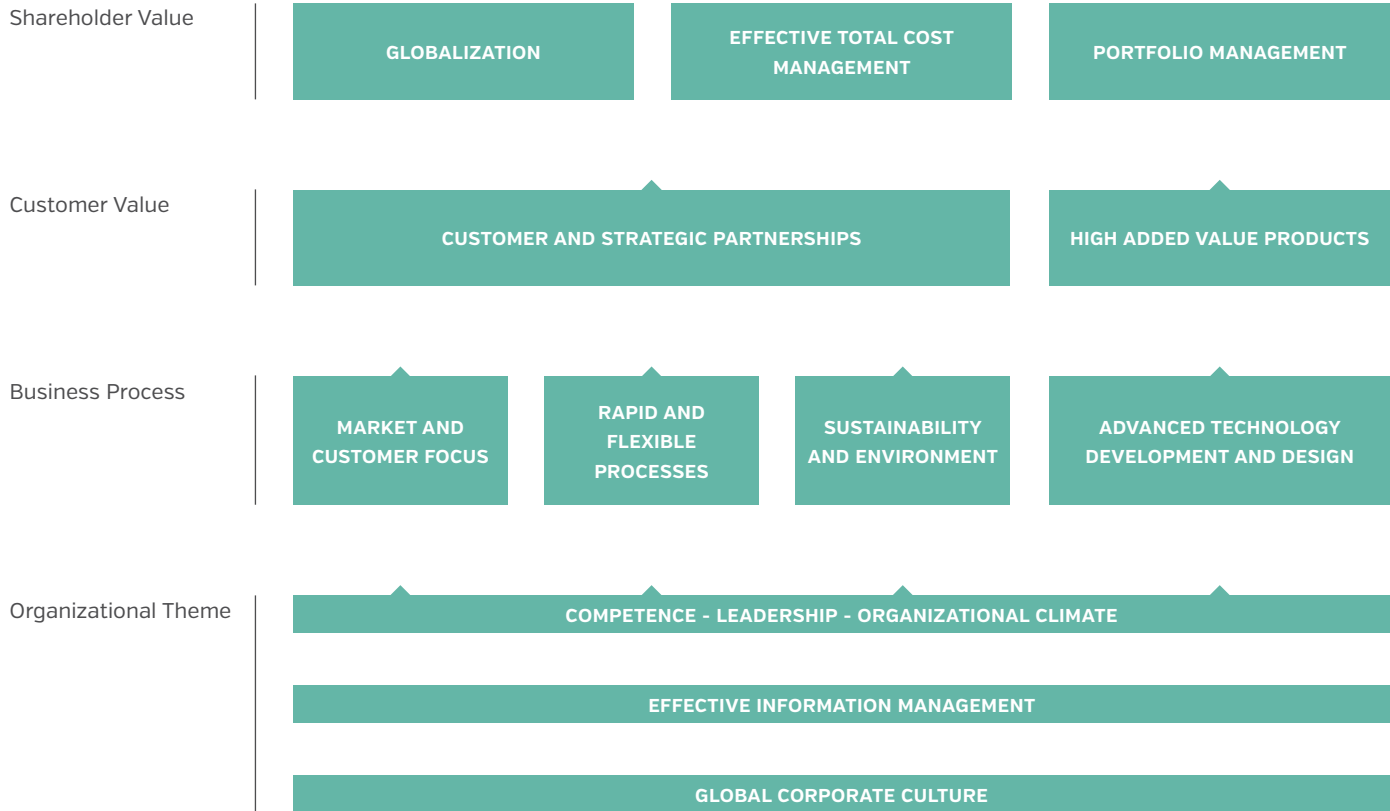
Sustainability is one of the core aspects of our strategy as we move toward our goal of being among the top three in the world glass league by 2020.

SUSTAINABILITY KEY PERFORMANCE INDICATORS

Strategic Goals	Key Performance Indicators
Create strong sustainability principles	Carbon footprint per income
Enhance and encourage participation in social responsibility projects	Number of social responsibility projects
Promote strong industrial relationships	Business Peace Index
Strengthen employer brand image and be the most admired and preferred company by the most talented employees	Ranking in the preferred companies lists
Motivate employees	Employee Motivation Index
Enhance the value of our corporate culture	Corporate Culture Index

Recognizing that our success depends on a thorough understanding of our business and ecosystems, we place strong emphasis on sustainability as a driver of growth and competitive advantage. Sustainability is one of the core aspects of our strategy, in addition to our focus on organic and inorganic growth and innovation, as we move toward our goal of being among the top three in the world glass league by 2020. The concept of sustainability is an essential component of our journey and is supported by the appropriate substrategies.

STRATEGIC FOCUS POINTS



THEMES AND PERSPECTIVES

Within the Context of Productivity Optimization

- Optimizing our fields of activity
- Focusing on the most profitable segments

Within the Context of Processes

- Demonstrating market focus and customer orientation
- Increasing productivity with rapid, straightforward and flexible processes
- Becoming an innovative company with research & development, planning & design
- Conducting our activities in an environmentally friendly and sustainable manner

Within the Context of Customer Relations

- Providing solutions to customers and business partners
- Rapidly transferring to high-added-value products

Within the Context of Organizational Development and Infrastructure

- Becoming a global company strongly preferred by the best customers; a company that motivates and attracts the best employees
- Developing knowledge with top-level skills
- Creating a corporate culture that values constant learning, adopts best practices and respectfully maintains traditions

Global Standards and Initiatives

We align with recognized international standards around product quality, environment, occupational health and safety, and business partner satisfaction across all our operations.

With operations in 13 countries, international standards create a set of ethical guidelines to ensure management of our environmental, social and economic impact. Motivated by the goal of building a better future, we have remained at the forefront of setting new and higher standards for our local and global operations. We apply these standards across our products, our business practices and our partners. We continuously assess our capabilities and processes to ensure that our company is living up to its responsible business legacy. We adapt to any change in regulations and subscribe to internationally recognized standards. Implementation of global frameworks is inherent to our goal of being a leading global glass manufacturer. We strongly believe in the intrinsic value of these frameworks to our expansion abroad, the development of our product portfolio, and the growth of our market share through new investments. We comply with international standards around product quality, environment, occupational health and safety, and business partner satisfaction. We also endorse the international principles and initiatives listed below.

Issues	International Standards / Initiatives
Quality Management	ISO 9001
Automotive Quality Management	ISO 16949
Environmental Management	ISO 14001
Energy Management	ISO 50001
Occupational Health and Safety	OHSAS 18001
Product Quality and Safety	ISO 22000 ¹
	FSSC 22000 ²
	ISO 15378 ³
Environment, H&S, Emergency Measures, Product Responsibility, Manufacturing, Logistics, Storage, Communication, Social Responsibility	Responsible Care
Product Responsibility	REACH⁴
Climate Change	CDP⁵
Financial Corporations	IFC / EBRD standards

1 : Food Safety Management System

2 : Global Food Safety Management System

3 : Quality Management System for Primary Packaging Materials for Medicinal Products

4 : Registration, Evaluation, Authorization and Restriction of Chemicals

5 : CDP: Organization Working with Companies to Tackle Climate Change

RESPONSIBLE CARE



What is Responsible Care?

The “Responsible Care” movement, which began in Canada in 1984, spread first to the United States, thereafter to Europe, then to the whole world, and is currently implemented in 52 countries. In Turkey, the program is operated under the coordination of the Turkish Chemical Manufacturers Association (TKSD). Responsible Care prioritizes the protection of human life, the environment and natural resources while sustaining better environmental conditions for life.

As a subsidiary company of Şişecam that operates in soda and chromium compounds production, Soda San. A.Ş. has been following the guiding principles of Responsible Care for more than 10 years now. Having a management system covering all six key elements of Responsible Care, Soda San. A.Ş. conducts life-cycle analysis to consider all the significant aspects in its products' value chain.

REACH



What is REACH?

The European Union developed the unified REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Directive to replace more than 40 EU regulations and directives relating to chemicals. The REACH Directive, which entered into force in 2007, provides registration, evaluation, authorization and restriction of chemicals. The main goals in developing the REACH Directive are: maximizing the protection of human health and the environment and also being properly informed about the chemicals in circulation within the borders of the EU.

Soda and chromium compounds are the only products of Şişecam that are subject to registration requirements of REACH, which is a major consideration for exporting chemical products to the EU. For this reason, all procedures related to registration have been followed closely and all necessary activities have been performed by the subsidiary company of the Group (Soda San. A.Ş.) to meet the all requirements under REACH. In this context, preregistrations of all soda and chromium compounds and registration procedures for most of the products were completed.

On the other hand, final glass products that Şişecam introduces to the EU market are not subject to registration although they are subject to the condition related to the SVHC (Substances of Very High Concern). For this reason, all SHVC related issues are followed closely in order to fulfill the requirements of REACH.

CDP



What is CDP?

CDP is a global non-governmental organization that works to change processes in the commercial world in order to reduce climate change impacts and to protect natural resources. Since 2010, CDP-Turkey has been managed by the Sabancı University Corporate Governance Forum.

Since 2011, Şişecam has been providing information to the CDP, one of the world's most respected initiatives for combating climate change. Under this framework, the Group has disclosed its strategies on issues such as energy, carbon and climate change. In accordance with the principle of transparency, we also report on our risk/benefit analyses and carbon emissions. According to the score released by the CDP in 2013, Şişecam was rated at the highest level for its disclosure of activities covering glass and non-glass manufacturing plants in Turkey and also its glass manufacturing plants in Bulgaria.

MANAGEMENT SYSTEMS AT THE PLANTS IN TURKEY

	ISO 9001 ¹	ISO 14001 ²	ISO 50001 ³	OHSAS 18001 ⁴	OTHERS
THE FLATGLASS GROUP					
Trakya Cam San. A.Ş. Trakya Plant	✓	✓	✓	✓	
Trakya Yenişehir Cam San. A.Ş.	✓	✓	✓	✓	
Trakya Cam San. A.Ş. Mersin Plant	✓	✓	✓	✓	
Trakya Cam San. A.Ş. Otocam Plant		✓	✓	✓	ISO 16949 ⁵
THE GLASSWARE GROUP					
Paşabahçe Cam San. Tic. A.Ş. Mersin Plant	✓	✓	✓	✓	ISO 22000 ⁶
Paşabahçe Cam San. Tic. A.Ş. Eskişehir Plant	✓	✓	✓	✓	ISO 22000
Paşabahçe Cam San. Tic. A.Ş. Kırklareli Plant	✓	✓	*	✓	
Denizli Cam San. Tic. A.Ş.	✓	✓		✓	
Camiş Ambalaj San. A.Ş. Tuzla Plant	✓	✓	*	✓	
Camiş Ambalaj San. A.Ş. Eskişehir Plant	✓	✓	✓	✓	
THE GLASS PACKAGING GROUP					
Anadolu Cam San. A.Ş. Mersin Plant	✓	✓	✓	✓	
Anadolu Cam Yenişehir San. A.Ş.	✓	✓	✓	✓	ISO 22000
Anadolu Eskişehir San. Tic. A.Ş.	✓	*	*		ISO 15378 ⁷
CHEMICALS GROUP					
Soda San. A.Ş. Soda Plant	✓	✓	✓	✓	ISO 22000, FSSC 22000 ⁸
Soda San. A.Ş. Kromsan Plant	✓	✓	✓	✓	
Cam Elyaf San. A.Ş.	✓	✓	*		
Oxyvit Kimya San. Tic. A.Ş.	✓	✓		✓	ISO 22000, FAMI-QS ⁹
Camiş Madencilik A.Ş.	✓	✓	*	✓	
Camiş Elektrik A.Ş.	✓	✓		✓	

*Certification process is going to be completed in 2014.

1: Quality Management System

2: Environmental Management System

3: Energy Management System

4: Occupational Health and Safety Management System

5: Automotive Management System

6: Food Safety Management System

7: Quality Management System for Primary Packaging Materials for Medicinal Products

8: Global Food Safety Management System

9: Quality and Safety System for Specialty Feed Ingredients and their Mixtures

Research & Technological Development and Innovation

Şişecam relies on the power of innovation in our future growth strategies. Thus, ownership of new products and technologies by research and technological developments as an important chain of innovation processes has been growing fast at corporate level. In an attempt to contribute to the strategic plan of Şişecam, the research and technological development group has been strongly engaged with production groups in evaluation of trends in glass science and technology, as well as devising technology roadmap accordingly.

SCIENCE AND TECHNOLOGY CENTER

We have been progressively focusing our in-house research and technological development efforts in commercially competitive, application-oriented glass science and technologies. We are also collaborating, cooperating and co-creating with universities, research centers and other networks in pre-commercial fundamental studies in glass science and technologies.

In 2014, Science and Technology Center has moved to a new impressive building with improved infrastructure. The Science and Technology Center has 9000 m² of space for housing laboratories for glass technology, coatings, wet chemistry and state-of-the-art analysis devices and measurement techniques. Bringing all furnace design, engineering and simulations groups and a small library under the same roof added new dimensions to corporate research and technological activities. Additionally, this improved synergy among Şişecam researchers working in different locations and laboratories.

In 2013, Corporate R&TD activities of Şişecam incorporated expert staff exceeding 1% of the total workforce and with a budget reaching 1% of the total sales revenues.

Our competitive power and advantage in the race to the future are based on research and technological development activities, which are carried out under three inter-coordinated shells. The first shell refers to cost and technology optimization relative to Şişecam's existing products and production technologies. The second shell comprises research carried out in those areas close to Şişecam's own products and production technologies; and the third shell covers R&TD research into products and production technologies falling within the scope of Şişecam's future "transformation areas" in line with the roadmap of the international glass industry.

Our R&TD Center is a living space where collective knowledge and resources are transformed into affordable, high-quality products and production technologies. It carries out an important mission to disseminate the knowledge and expertise across all the production groups. R&TD creates pre-competitive collaboration among our competitors, business partners, universities and research institutions to solve complex sector based challenges and conducts benchmarking with global sector leaders.

In the face of climate change and resource scarcity, Şişecam has prioritized innovative solutions in every aspect of its strategies, processes and operations. Şişecam firmly believes in business cases for sustainability and uses efficiency management processes to mitigate risks and reduce costs across every aspect of its operations.



Our R&TD Center is a living space where collective knowledge and resources are transformed into affordable, high-quality products and production technologies.

"New generation, energy-efficient" glass furnaces, which have the highest energy efficiency level at Şişecam, have been designed. One of them is benchmarked as **the 5th most energy-efficient** furnace out of 160 glass packaging furnaces in Europe.

PROCESS PRODUCTIVITY, ENERGY EFFICIENCY AND COST OPTIMIZATION

R&TD is responsible for furnace design that meets industry's best practices. R&TD activities are conducted to improve the energy efficiency and productivity within the glass lifecycle. We achieve this by reducing our fuel consumption in melting furnaces; increasing glass quality, extending the functional lifetimes of furnaces and remaining within established emission standard limits to monitor our environmental impacts.

In relation with the Şişecam's corporate energy strategy, R&TD projects and studies provide a significant decrease in energy consumption level and related GHG emissions of glass furnaces. As a result of research studies performed in this context, "new generation, energy-efficient" glass furnaces, which have the highest energy efficiency level at Şişecam, have been designed. One of them is benchmarked as 5th furnace out of 160 glass packaging furnaces in Europe. Accurate analyses of production emissions and identification of appropriate treatment technologies are also the main duties of R&TD in terms of environmental protection.

VALUE-ADDED COATED PRODUCTS AND COATING TECHNOLOGIES

As the usage of energy-efficient materials in the architecture, automotive and energy sector has steadily increased, Şişecam develops glasses that provide optimum solutions for heating, cooling, lighting and renewables for diverse climate zones. In this regard, R&TD contributes to energy saving and environmental protection by developing value-added products and technologies.

As a result of R&TD activities, new generation, value-added coated products with high thermal insulation, selective solar control, temperable properties have been developed and transferred to the production lines successfully.

Şişecam continues its R&TD work for coated energy glasses to enhance the performance of solar panels and collectors for renewable energy sources. By taking part in a consortium led by institutions from 5 countries for SOLAR ERA.NET – an EU 7 framework supporting innovative programs – Şişecam has taken the lead in strengthening thin glasses which will increase the solar light transmission to improve the efficiency of the panels.

Electrochromic and thermochromic glasses serve as another great opportunity for Şişecam to introduce energy-saving breakthroughs in the market. The electrochromic project is sponsored by TÜBİTAK, while the thermochromic project is supported by the US National Science Foundation, which is an ongoing collaboration with Washington University.

SUSTAINABLE PRODUCTS

For Sustainable Buildings

Because of the strong linkage between windows and energy efficiency, the flat glass sector offers great potential for greenhouse gas reduction and climate change mitigation. With coatings applied on the glass surface, flat glass becomes an insulation material with heat and solar control, maximizing buildings' energy efficiency.

Long before sustainability became the mainstream, this concept was already directing our portfolio toward attractive growth spaces. Our long history of designing breakthrough and sustainable products is evidenced by our Low-E coated double glazing products. Since 1995, our products that provide advanced thermal insulation and solar control have allowed Turkey to save \$9 billion in its energy expenses for heating and cooling.

Aside from our high-performance product portfolio, the positive outlook in local and global markets for resource-efficient products, particularly transparent glass in buildings and energy-saving windows, unleashes tremendous potential to position ourselves for long-term competitive advantage. In Turkey, buildings are responsible for 30% of all energy, and 30% of heat loss is from windows. Further, only 3% of residential buildings in Turkey have Low-E coated double glazed windows – a huge opportunity cost given that savings would increase to \$2,5 billion every year, based on 19 million residential dwellings in Turkey, if every architectural glass was changed to a Low-E coated glass.

Since 1995, our products that provide advanced thermal insulation and solar control have allowed Turkey to save \$9 billion in its energy expenses for heating and cooling.



Low-Emissivity (Low-E) Glass

Low-Emissivity (Low-E) Glass is treated with a microscopically thin, transparent coating. The coating improves window's thermal efficiency, lowering the amount of heat that escapes from the window without compromising daylight.



Solar Control Glass

Solar Control Glass is a high-performance coated product that deflects a large degree of the sun's heat while allowing daylight to pass through a window or facade. The indoor space stays bright and much cooler than would be the case if normal glass were used.



Thermal Insulation and Solar Control Glass

Thermal Insulation and Solar Control Glass provides more effective insulation in winter by decreasing heat loss by 50% compared to a traditional DGU unit. During summer, this decreases solar energy transmission by 40%, leading to reduction in cooling expenses.

For Renewables

In addition to its contribution to sustainable buildings, flat glass also plays an important role in the generation of solar power through solar panels. Our Flat Glass Group has been engaging in business activities related to this field.

As for wind energy, our Chemicals Group produces glass fiber that is used as a main component of many large-scale wind turbine blades because of its durable and lightweight characteristics.



For Lightweight Vehicles

Glass fiber is also instrumental in helping to achieve energy and climate goals in the automotive sector. For example, studies have shown that a 10% reduction in vehicle weight can reduce fuel consumption by 5% to 8%. And reducing vehicle weight by 100 kg brings a CO₂ emissions reduction of up to 12,5 g/km. The use of glass fiber composites is one of the major solutions for lightweight vehicles.

Eco-friendly Mirror

Our Flat Glass Group has adopted a process in its production of mirrors that minimizes emissions and waste generation. TRC Flotal E, its eco-friendly mirror brand, has a completely lead-free top coat and less than 0,5% wet base coat. This usage of lead-free paint in mirror production cuts waste, as evidenced by TRC Flotal E's dramatic wastewater reduction and drop in sludge generation by up to 40%.



Solar Control Glasses in Autoglass

It should also be noted that the use of air conditioning in vehicles can generate up to 20% extra fuel consumption. Glazing with advanced solar control properties substantially reduces heat buildup inside vehicles and therefore either reduces the need for air conditioning or helps considerably lower the load on the unit. It has the potential to improve overall fuel consumption efficiency by 2%, and in some cases up to 4%.

Our Stakeholders and Material Aspects

STAKEHOLDER GROUPS

Şişecam engages with both internal and external stakeholders on a regular basis and takes their views into consideration in the organization's decision-making processes. In 2013, we further formalized our stakeholder engagement processes and undertook a thorough stakeholder identification, mapping and prioritization exercise.

We reviewed all our related documents and policies; we facilitated interviews and workshops with internal stakeholders; and we actively used sources of stakeholder feedback from all business groups.

Through this process, we identified our primary internal and external stakeholder groups as detailed below.

Stakeholder Groups

Senior Management and Internal Decision Makers	External Advisors, Consultants
Business Units and Internal Departments	Suppliers and Collaborators
Human Capital, Employees	Local Communities and Decision Makers
Internal Influence Groups, Unions and Associations	Social Capital, Community, NGOs, Universities
Industry Chambers, Peers and Associations	Customers and Clients
Government and Regulators	Investors / Shareholders
External Reviewers, Media, Public Opinion	

We self-declare this report is in accordance with the **GRI G4 Sustainability Reporting Framework** at Core level.

ENGAGING DURING OUR REPORTING PROCESS

In order to guide our sustainability reporting process and data collection method, we referred to the Global Reporting Initiative (GRI) G4 Guidelines, which is the latest version of the GRI framework. This report provides an overview of our economic, social and environmental impacts and performance in 2013. Guided by our sustainability strategy, we have focused the content of this report on material issues, and in doing so, we self-declare this report is in accordance with the GRI G4 Sustainability Reporting Framework at Core level.

Şişecam also engaged with external consultants and delegated an extended Sustainability Project team with more than 50 representatives across business groups, departments and regions of operation to ensure the company captured a complete picture of the organization. The team members participated in face-to-face interviews, workshops and training sessions covering benchmarking analyses on sustainability topics against peers; identification of all relevant laws and regulations on different levels; analysis of perceived priority issues and expectations of our external stakeholders; and general sustainability and reporting trends.

Through these consultations with internal stakeholders, we were successfully able to put Şişecam's operations into a broad sustainability context to generate a company understanding and consensus of sustainability issues that are material to our business. These issues, which are detailed in the next section, have driven the content of this Sustainability Report. Further, we have begun developing specific strategies and action plans to manage these issues within our business. We will continue to report progress on these on a yearly basis.

Şişecam has captured external stakeholders' views and expectations concerning sustainability issues and priorities via our regular and ongoing methods of engagement that are embedded in Şişecam's relevant departments. These include:

- Frequent formal consultations with governments, chambers, authorities and regulators on sustainability issues, in addition to ad-hoc personal contacts and relationships
- Feedback received from customers and corporate clients via surveys, events, account management and online tools
- Formal investor events and one-to-one meetings with key investors
- Constant monitoring of and following up with media, press and opinion leaders
- Use of external advisors' expertise
- Continuous liaising with suppliers as a part of ongoing supply chain projects, inclusive of sustainability context
- Formal and informal meetings with local authorities at the plan/business group level and active engagement with local communities
- Ongoing partnerships with NGOs and universities through sustainability-related, educational and R&D projects

Şişecam is planning to build upon its existing methods of external stakeholder engagement and formalize a dedicated process to capture stakeholder feedback and to understand expectations with regard to our yearly sustainability reporting in the future.

SUSTAINABILITY PRIORITIES AND MATERIAL ISSUES

The stakeholder and sustainability analysis process that we undertook covered internal and external factors and guided us to the following list of priority issues for our business:

Economic Perspective

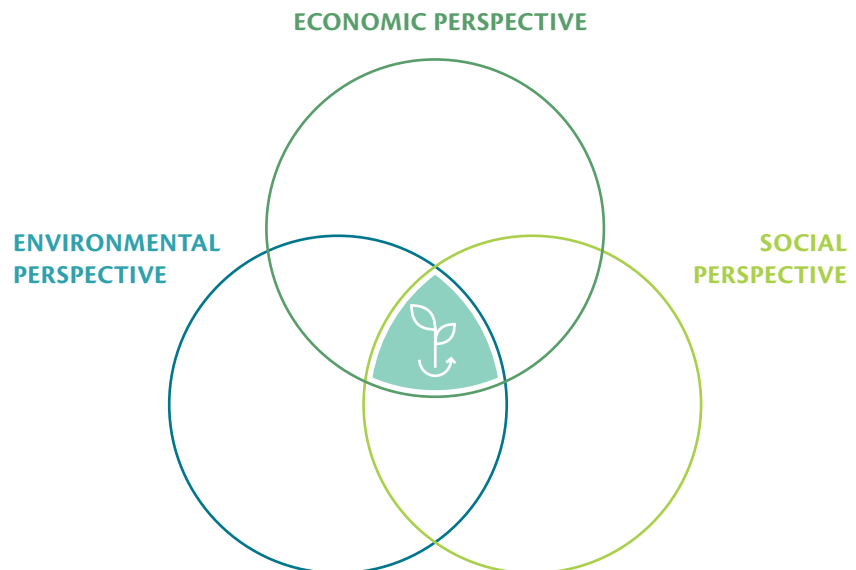
- Economic Performance and Added Value
- Risk Management
- Compliance
- Innovation

Environmental Perspective

- Energy Efficiency Initiatives, Management and Performance
- CO₂ Emissions
- Waste Management Initiatives
- Responsible Practices Regarding Products and Services
- Compliance with Environmental and Social Standards

Social Perspective

- Added Social Value and Corporate Social Responsibility Practice
- Employment Practices and Human Capital
- Relations between Management and Employees
- Occupational Health and Safety Policy and Performance
- Opportunities for Employee Training and Education
- Community Investment



PARTNERSHIPS AND MEMBERSHIPS

Şişecam is a member of numerous industry and trade associations. We collaborate with these groups because they represent our sector and the business community on issues that are important to Şişecam. Our representation in these groups allows our company to be well-positioned in policymaking discussions and to be informed on sustainability expectations.

Below is a selected list of our memberships and partnerships:

ŞİŞECAM	
Association of Solar Energy Industry in Turkey	International Crystal Federation
Celsian Glass Solar B.V.	International Partnership for Glass Research
Center for Solar Energy Research and Applications	Istanbul Chamber of Commerce
Central Anatolian Exporters Union	Istanbul Chamber of Industry
Clean Energy Foundation	Istanbul Foundation for Culture and Arts
Corporate Governance Association of Turkey	Middle East Technical University, Center for Solar Energy Research and Applications
European Domestic Glass Committee	Nanotechnology Research Center at Bilkent University
European Industrial Research Board	Risk Managers' Association
European Industrial Research Management Association	Turkish Ceramic Society
European Physical Society (Energy Working Group)	Turkish Librarians' Association
European Society for Glass Science and Technology	Turkish National Committee of International Chambers of Commerce
European Union Photovoltaic Technology Platform	Turkish Physical Society
Eurosolar	TURKTRADE
Foreign Economic Relations Board	Union of Chambers and Commodity Exchanges of Turkey
German Society of Glass Technologies	Union of Chambers of Turkish Engineers and Architects
Glass Alliance Europe	University and Research Librarians' Association
International Commission on Glass	World Energy Council Turkish National Committee

BUSINESS GROUPS	
Association for Personnel Management in Turkey	Istanbul Technical University, Faculty of Mines Foundation
Association of Automotive Parts & Components Manufacturers	Istanbul Technical University, Faculty of Mines, Geological Engineering Advisory Committee
Association of Insulation, Material Producers, Suppliers and Applicators	Istanbul Technical University, Faculty of Mines, Geological Engineering Foundation, Mineral Processing Engineering Department, Industry Advisory Committee
Association of Turkish Construction Material Producers	Mediterranean Exporters Association
Cardboard Manufacturers Association	Packaging Manufacturers Association in Turkey
Carton Board Packaging Manufacturers Association	The European Chemical Industry Council
Central Anatolian Exporters Union	The European Container Glass Federation – Glassware Tableware Committee
Chain Stores Association	The Union of Chambers and Commodity Exchanges of Turkey, Glass and Glassware Industry Council
European Chemicals Agency	Turkish Ceramic Federation
European Container Glass Federation	Turkish Chemical Manufacturers Association
European Glass Fibre Producers Association	Turkish Composites Manufacturers Association
European Soda Ash Producers Association	Turkish Exporters Assembly
Food Safety Association	Turkish Glassware Association
Foundation for Environmental Protection and Reuse of Packaging Waste	Turkish Juice Industry Association
Glass for Europe	Turkish Mining Association
International Chromium Development Association	Turkish Society for Quality



Protecting the Environment

- POLICY AND ACTION
- ENERGY MANAGEMENT
- GREENHOUSE GAS (GHG) MITIGATION
- WASTE MANAGEMENT

Policy and Action

Protecting the environment requires a constant commitment to strong policies and continuous action. Our objective is to minimize our impact across all business activities with zero environmental incidents.

ENVIRONMENTAL AND ENERGY POLICY

A fundamental aspect of our sustainable success, our Environmental and Energy Policy is embedded in every phase of our work processes. This integration is reflected in one of the policy's requirements - for each company in the Şişecam to establish its own environmental management system.

The primary approach across the groups is grounded in tackling the ultimate sources of our environmental footprint. In this regard, we place great emphasis on the following:

- Manufacturing techniques with reduced environmental effects
- Improvement of energy efficiency projects to increase climate change mitigation efforts
- Expansion of waste recovery and recycling
- Evaluation of fuel and raw material alternatives
- Responsible energy and resource management
- Use of natural gas whenever available, and development of furnace designs to reduce emissions and environmental risks

Part of our environmental approach is our significant investment in systems improvement. In 2013, we spent a total of TL25 million for our plants in Turkey, particularly in environmental operations, treatment-plant investments and waste disposal.

ENVIRONMENTAL MANAGEMENT SYSTEM

Our aim is to carry out all relevant initiatives at Şişecam within the framework of the Environmental Management System (EMS), monitoring the environmental impact of our manufacturing operations and improving our systems with the support of all our employees and stakeholders. We manage our Group-wide activities through our EMS, and 95% of our plants in Turkey have ISO 14001 EMS certification.

For reviewing our environmental performance and implementing projects at a high level, we have a Sustainability Coordinatorship that reports to the CEO of Şişecam. This management oversight illustrates how our sustainability commitments, including those linked to the environment, are embedded in Şişecam's business priorities.

At the operational level, each plant has at least one environmental officer, usually an environmental engineer, who reports to the plant manager. These officers work closely with the Environmental Committees, which include officers from each production unit of the plant. In each production plant, environmental issues are monitored and action plans are carried out based on the procedures established in its EMS. Additionally, the monitoring body conducts internal and sub-contractor audits, establishes preventive and corrective action plans, and at the end of each year, reviews the status of issues and evaluates opportunities for improvement.

In 2013, we spent a total of **TL25 million** for our plants in Turkey, particularly in environmental operations, treatment-plant investments and waste disposal.

95% of our plants in Turkey have **ISO 14001 EMS** certification.



ENVIRONMENTAL AND ENERGY POLICY

Knowing that the sustainable growth, which we have placed in the main axis of our business, is only possible as long as we maintain the sustainable environmental and energy principles, we aim to:

- Use natural resources efficiently, increase recycling and recovery rates,
- Consider energy efficient and environmentally friendly technologies while creating all processes starting from the designing phase,
- Develop and implement energy efficiency projects that will have a positive impact on climate change,
- Purchase products, services and technologies that provide energy efficiency to support high performance designs,
- Perform our production activities by implementing Environment and Energy Management Systems

In this direction we declare and undertake:

- To comply with environmental and energy related legal and other requirements in force,
- To continuously enhance and improve our environmental and energy performance,
- To take the necessary precautions to reduce or eliminate the negative environmental impacts of our activities,
- To review pre-determined objectives and targets periodically and to provide required resources to achieve these goals and objectives,
- To increase awareness by providing understanding and embracement of our policy by our shareholders

General Manager

WE CARE FOR
OUR ENVIRONMENT



ENVIRONMENTAL COMPLIANCE

Our main approach is centered on our license to operate and full compliance with the environmental laws and regulations of the countries where we conduct business.

Şişecam closely follows the developments in EU environmental regulations and proactively shares its views concerning aspects related to the Group's production facilities through its memberships in relevant institutions and associations. In addition, Şişecam plays an active role within the environmental commissions of NGOs associated with the industry at both national (Istanbul Chamber of Industry, The Union of Chambers and Stock Markets of Turkey, Association of Turkish Construction Material Producers) and international (Glass Alliance Europe, European Container Glass Federation, European Domestic Glass Committee) levels.



CASE STUDIES ON ENVIRONMENTAL INVESTMENTS

CASE STUDIES

Treatment System for Waste Gases of Borosilicate Glass Furnace

Paşabahçe Cam Sanayi ve Ticaret A.Ş. Kırklareli Plant invested in a flue gas treatment facility in 2013 in order to remove dust, chloride and boron emissions from its borosilicate glass production. Experimental work started in 2012 as part of Şişecam's research and technological development activities with the aim of identifying an appropriate technology for waste gas emissions and detecting boron emissions, which reduce the efficiency of dust collection systems.

The outcomes from measurement, analysis and investigation studies resulted in an investment of €1,2 million in a flue gas treatment facility, which was commissioned in mid-2013. The facility achieves treatment efficiencies of 99% in removal of dust emissions, 99% in removal of chloride emissions, and 98% in removal of boron emissions. The visibility of the emissions [associated with the boron emissions] was also eliminated.

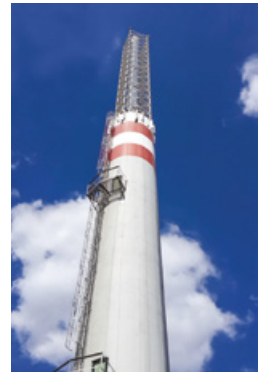
Treatment System for Waste Gases from Pyrolytic Coating Process

Investment was made in 2012 for a flue gas treatment facility for the pyrolytic coating process on the flat glass production lines at the Trakya Cam Sanayi A.Ş. Mersin Plant in order to remove dust, metal and organic gas emissions.

The total investment cost is approximately €1,9 million. The dust-emission-treatment efficiency of the facility for metals such as chrome, cobalt and tin is 99%, and efficiency in organic emissions is 89%. The facility eliminates emissions that are harmful to the environment and human health, as well as the odor problems associated with organic compounds in the waste gas.

Treatment Systems for Waste Gas of Glass Furnaces in Trakya Glass Bulgaria EAD

Pursuant to the Bulgarian environmental legislation, two flue gas treatment facilities were commissioned for Trakya Glass Bulgaria EAD's flat glass and glassware plant in 2011. With a total cost of €7,7 million, the treatment facilities are used to reduce particulate matter, nitrogen oxides, sulphur dioxide, chloride and fluoride emissions below the strict limits defined by the legislation.



Energy Management

At the end of 2013, 60% of plants in our Group received their **ISO 50001** certificate of compliance.

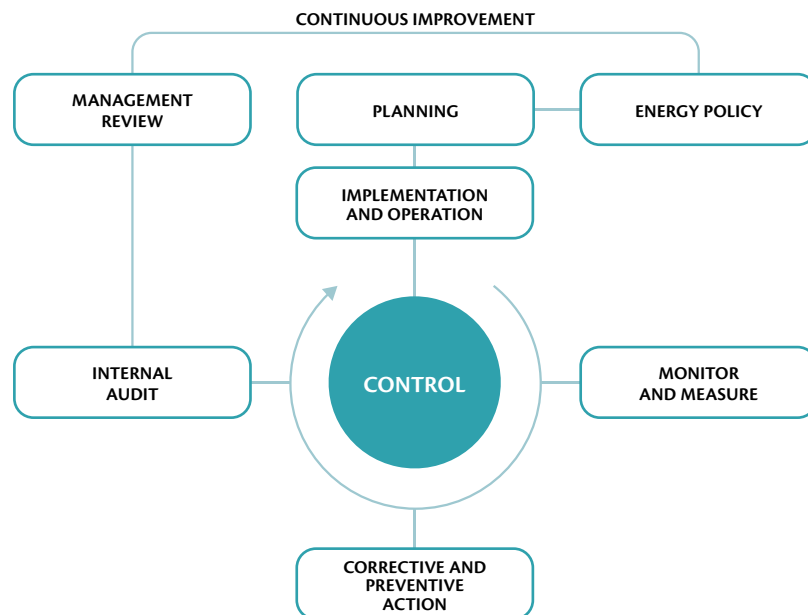
Şişecam is one of the few groups in Turkey that consume a high quantity of natural gas and electricity; therefore, our efforts toward energy efficiency involving the reduction of carbon emissions to combat climate change are material both for our organization and for Turkey.

We have incorporated the following components into our energy management:

- Enhancement of energy performance
- Reduction of the share of energy in total costs
- Reduction of emissions originating from the use of energy
- Strong competitive advantage
- Awareness of risks and opportunities

At the plant level, studies related to energy-resources planning; training and raising awareness; measurement and monitoring; energy surveys; and alternative fuel use are conducted based on the TS EN ISO 50001 Energy Management Standard. At the end of 2013, 60% of plants in Turkey received their ISO 50001 certificate of compliance. The rest of our plants intend to be certified by the end of 2014.

To optimize our energy measurement, we have begun transitioning to a centralized evaluation system, sustainable energy monitoring system, which will be fully implemented by 2015. We also participate in regular international benchmarking studies to get a sense of our energy consumption in comparison with other companies on an international level. The results of these studies show that the energy efficiency of Şişecam furnaces demonstrates an equal level of performance, and in some cases better level of performance, compared with that of glass production companies abroad.



ENERGY EFFICIENCY PROJECTS

In order to formalize an energy management policy with a centralized approach across the Group, the Şişecam Corporate Sustainable Energy Management project was initiated in 2012. The project team, consisting of experts from each production unit of our Group and the Research and Technology Department, has conducted studies under the sponsorship of our General Manager since April 2012. In September 2013, this project was taken over by the Energy Efficiency department within the Sustainability Coordinatorship. The objectives of the project, most of which have already been achieved, are listed below:

- Development of an energy management approach in compliance with the ISO 50001 Standard
- Establishment of energy management policy and strategies
- Installation of energy measurement, monitoring and reporting systems
- Determination of energy-saving projects with the investment budgets
- Exchange and implementation of best practices

ENERGY AUDITS

In 2013, energy efficiency studies were carried out in seven of our plants throughout Turkey by an independent auditing firm commissioned by the Ministry of Energy and Natural Resources. Ministry support is received for eight efficiency improvement projects in 2013 and twelve projects in 2014. Our goal for 2014 is to complete energy audits in all of our plants in Turkey.

MONITORING SYSTEM

Maintaining energy savings and efficiency relies on efforts to monitor and assess performance. Our approach aims to improve the existing measurement and evaluation system, to monitor the energy efficiency situation of our plants and installations centrally, and to improve systems by actions taken on the basis of monitoring. This approach has resulted in investments in the energy efficiency monitoring system, which is planned to be completed in 2015.

BENCHMARKING

Energy consumption levels in Şişecam's glass plants are monitored by internal benchmarking studies and also by international benchmarking studies carried out periodically. The results of these studies show that the energy efficiency of Şişecam plants is similar to that of glass production companies abroad, and in some cases better.

Energy efficiency studies were carried out in seven of our plants throughout Turkey by an independent auditing firm commissioned by the Ministry of Energy and Natural Resources.

Total Energy Consumption and Energy Density Information of Our Local Production Companies

Product	2011			2012		
	Production (ton)	Energy (Gj)	Energy Density (Gj/ton product) ^b	Production (ton)	Energy (Gj)	Energy Density (Gj/ton product) ^b
Glass	3.012.000 ^a	25.205.000	8	2.939.000 ^a	24.309.000	8
Soda	1.209.000	26.307.000 ^c	22	1.098.000	22.997.000 ^c	21
Chromium Compounds	255.000	1.142.000	5	244.000	1.192.000	5
Other (mineral, oxyvit, paper and cardboard packaging)	2.274.000	526.000	^d	2.640.000	515.000	^d
Electricity (Trakya Power Plant, Mersin Cogeneration Plant, Yenişehir Power Plant)	2.077.000 Mwh	1.661.000 ^e	1	1.798.000 Mwh	1.580.000 ^e	1

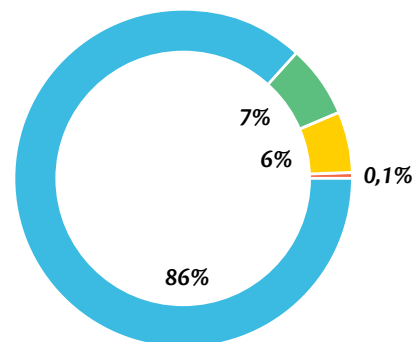
ENERGY CONSUMPTION LEVELS

The melting process accounts for the majority of the energy consumed in glass production facilities. Other production steps where energy consumption is significant attribute to the shaping and driving systems of the machine and the equipment used in the enterprise. The rate of energy used in these processes shows significant variances according to the type of glass produced. For example, in flat glass production, around 90% of the energy is used in melting, whereas this rate is around 40% in the production of glass fiber. In soda production, a considerable part of energy is used to produce the steam used as a process input.

Natural gas provides a significant part, approximately 86% of our energy, whereas 7% and 6% comes from electricity and anthracite, respectively in 2013.

Total Energy Consumption (%)

- Natural Gas
- Anthracite
- Electricity
- LPG



2013		
Production (ton)	Energy (Gj)	Energy Density (Gj/ton product) ^b
2.975.000 ^a	24.624.000	8
1.268.000	25.467.000 ^c	20
273.000	1.301.000	5
2.679.000	513.000	^d
2.140.000 Mwh	1.652.000 ^e	1

^a Total melted glass passing into shaping process after being melted in the furnace.

^b Energy density:

For Glass Production; the ratio of gross production amount (ton) of flat glass, glass containers, glassware and glass fiber to the total amount (Gj) of energy (natural gas+LPG+electricity) used for process and out-of-process purposes in enterprises.

For Soda Production; the ratio of net production amount (ton) of soda to the total amount (Gj) of energy (anthracite+natural gas equivalent of steam+electricity) used for process and non-process purposes.

For Chromium Compounds; the ratio of net production amount of chromium compounds (ton) to the total amount (Gj) to energy (natural gas+electricity) used for process and non-process purposes.

Other; the ratio of production amounts (ton) to the total amount of energy used for process purposes.

^c The energy consumption of the cogeneration plant where steam used in soda production is also included.

^d It is not meaningful to provide the energy density due to product diversity.

^e Energy amount used for electricity production in Trakya Power Plant.

The energy consumed for electricity + steam produced in Mersin Cogeneration Plant is not added here since it is included in energy data of Soda product.

Energy is not consumed in the Yenişehir Power Plant, since electricity is recovered from waste heat energy.

The following table illustrates our energy consumption data which shows the last 3 years. 2012- 2013 yearly increase of 5,85% is caused by production capacity increase.

	2011	2012	2013
Natural Gas Consumption (Gj)	47.385.000	43.486.000	46.215.000
Electricity Consumption (Gj)	3.766.000	3.899.000	3.951.000
Anthracite Consumption (Gj) *	3.643.000	3.167.000	3.349.000
LPG Consumption (Gj)	46.000	41.000	42.000
Total Energy Consumption (Gj)	54.840.000	50.593.000	53.557.000

*Anthracite is used as an energy source in the lime kilns, which are one of the units of soda production. Carbon that emerges during the process is used as an input of soda production.

Greenhouse Gas (GHG) Mitigation

Given the energy-intensive nature of our business and sector, climate-focused policies are of critical importance to Şişecam. We continue to reassess our production activities in terms of energy efficiency, and increase the range of resource-efficient products that provide environmental benefits.

Concerning production:

- Increase energy efficiency in production
- Increase the use of recycled glass as input materials to reduce emissions

Concerning products:

- Bring added-value products to the market to contribute to the overall energy reduction
- Contribute to the production of clean energy through our products

With the prominence of climate change on our business agenda, Şişecam provides incentives for management of this issue to all employees. The annual performance metrics of the Group's facilities are regularly evaluated as a part of Şişecam Corporate Rewarding Mechanism. As a result of these incentives, we were able to achieve decreases in energy use and CO₂ intensity from the previous year.

GHG PERFORMANCE

As we identify opportunities to optimize our energy use and manage our greenhouse gas performance, we regularly monitor the CO₂ emissions from our processes based on the ISO 14064-1 methodology and provide information to CDP yearly.

Our Scope 1 and Scope 2 emissions increased overall by 4% over prior year. This is directly attributable to an increase in energy consumption that fueled our growth in production of over 5% in 2013, notably our 15,5% production volume increase in soda production. Our focus on effectively delivering energy efficiency projects across the organization, therefore, has resulted in CO₂ savings when our total emissions are normalized against both production figures and revenue figures.

Type of Production	Yearly CO ₂ Emissions (ton)					
	2011		2012		2013	
	SCOPE 1	SCOPE 2	SCOPE 1	SCOPE 2	SCOPE 1	SCOPE 2
Glass production (all types)	1.710.300	449.400	1.647.300	451.400	1.646.000	455.900
Soda and chromium compounds production*	448.200	40.300	1.545.300	41.100	1.693.400	45.100
Other productions	1.403.400	28.500	112.300	27.300	115.600	25.800
Total	3.561.900	518.200	3.304.900	519.800	3.455.000	526.800

*Includes steam production



CASE STUDIES

CASE STUDIES ON ENERGY, GHG AND RESOURCE EFFICIENCY

Şişecam constantly invests in resource-efficient solutions for our business. The following case studies illustrate recent and relevant examples that have provided significant value to our organization.

Cullet and Recycled Glass as an Energy-Saving Raw Material

With glass production accounting for a substantial share of our business, we continuously perform studies on energy reduction of glass furnaces and material inputs. Energy from glass production represents 20% to 25% of the total industrial cost, and as such, we incessantly find solutions to minimize consumption. For instance, using 10% recycled glass results in energy savings of 2,5% to 3% in the melting process. Another important parameter for energy saving is the use of cullet as raw material, as it melts with lower energy input compared to a batch consisting of virgin materials. A total of 670 kg CO₂ is saved for every ton of cullet used in batch.

- **“Cam Yeniden Cam” Project**

The Glass Packaging Group aims to minimize the environmental footprint of its products through robust life-cycle analysis.

The project “Cam Yeniden Cam” [Glass and Glass Again] was initiated in 2011 by Glass Packaging Group with the aim of increasing the glass recycling rate in Turkey to 60% by 2020. Partnerships with local municipalities, ‘green dot’ organizations, national education directorates, universities, glass-packaging waste collection and recycling companies, the EBRD and sports clubs have been formed along the journey. Glass and Glass Again is one of the most comprehensive sustainability and social responsibility projects in Turkey.

The main goals of the project are to decrease environmental impacts and maximize social and economic benefits for the State and the shareholders. The essential aim of the project is to create society-wide behavioral change and promote the transition to being a recycling society.



The work being carried out is based on three pillars:

- Creating and raising public awareness about glass recycling
- Developing infrastructure for the collection of glass-packaging waste
- Increasing capacities and abilities of glass recycling plants

Between 2011 and 2013, in collaboration with 42 local municipalities in eight cities, 113.000 primary school students were educated on glass recycling, public awareness campaigns were carried out, and 5.150 new bottle banks were deployed. Automated compact bottle crushers were provided to restaurants, hotels and bars that demonstrated heavy consumption of beverages in glass packaging. In addition, bottle bank collection trucks were donated to selected municipalities with the potential for high glass-packaging-waste generation.

Since the inception of this project, 297.800 tons of waste glass have been collected.

This translates to:

THE SAND SAVED THROUGH GLASS RECYCLING EQUAL TO THE AMOUNT OF SAND IN A BEACH 10 METERS WIDE BY **31 km** LONG

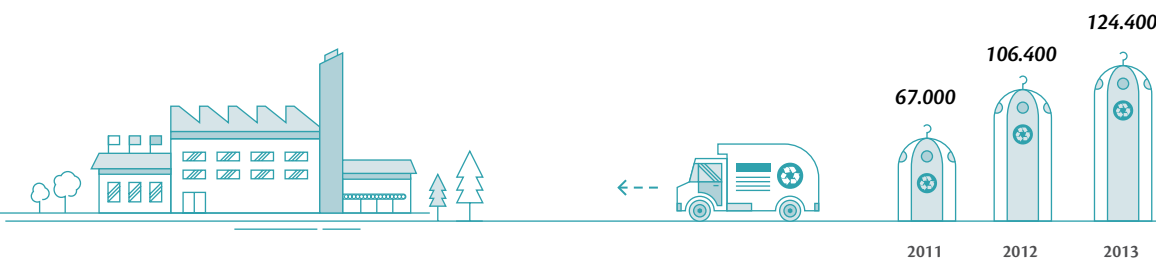
THE AMOUNT OF CARBON REDUCTION IN THE LAST THREE YEARS IS EQUAL TO CARBON EMISSIONS THAT COULD BE ABSORBED BY **6 million** TREES

AVOIDANCE OF CARBON EMISSIONS EQUIVALENT TO REMOVING **107.200** CARS FROM THE ROAD

ENERGY SAVINGS SUFFICIENT TO PROVIDE HEATING AND HOT WATER FOR **12.500** RESIDENCES

	2011	2012	2013
Saving in Raw Material (ton)	80.400	127.680	149.280
Saving in CO₂ Emissions (ton)	44.890	71.288	83.348
Saving in Energy Consumption (Mwh)	23.450	37.240	43.540

Glass Cullet Amount (ton)



Waste Heat Recovery

A critical component of our energy and production efficiencies, waste heat recovery is a common practice at Şişecam. In our glass production, this method is used to recapture wasted heat from our industrial manufacturing activities for hot water and steam. Roughly 25% of the glass furnace waste gas heat is converted into useful heat.

We have placed investments in technologies at Trakya Yenişehir Cam San.A.Ş. that could harness waste gas streams to produce electricity. Similarly, systems will be installed at Trakya Cam San. A.Ş. Mersin Plant and Anadolu Cam San. A.Ş. Yenişehir Plant, and they will be fully implemented by 2015.

- **Electricity Production from Waste Heat in Trakya Yenişehir Cam San. A.Ş.**

A plant for electricity generation from waste gases of two glass furnaces was installed in Trakya Yenişehir Cam San. A.Ş. which produces flat glass, laminated glass and coated glass. This plant has 6MW turbine power and produces 3,5-5 MW electricity depending on the glass furnace capacity usage. Payback period of the plant is around 2 years.

Trakya Yenişehir Cam San. A.Ş. received the “Most Successful Industrial Enterprise” award by the General Directorate for Renewable Energy of the Ministry of Energy and Natural Resources for its “Energy Production from Waste Heat Project.”

Energy and Carbon Savings by Reducing the Weight of Glass Packaging Products

For Şişecam, promoting the sustainable use of resources is important, and the company is therefore conducting a number of projects to reduce the weight of packaging products. These weight-reduction initiatives provide savings in raw materials, energy and water without reducing the volume, strength or visual qualities of our containers. They also reduce our carbon footprint.

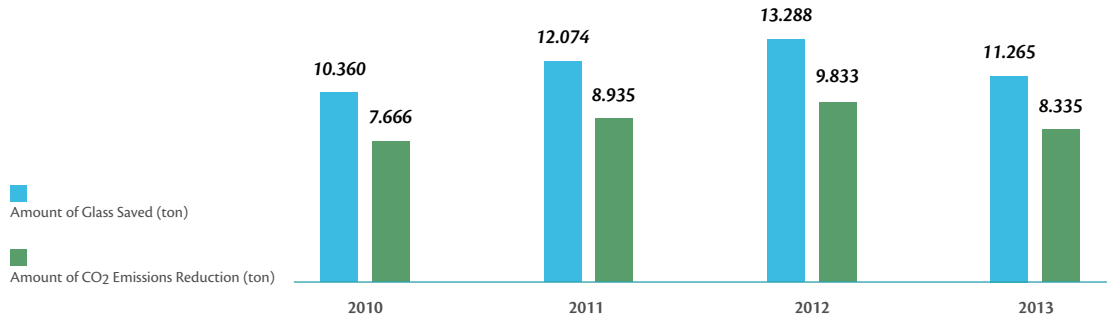
A special technique is used to produce ultra-light glasses that are in demand in all sectors and that use non carbonated fillers. This project resulted in a 28% reduction in the weight of a milk bottle, for instance, enabling pasteurized milk to be economically presented to consumers seeking healthy and natural products.

Since 2010, the savings in glass achieved by weight-reduction efforts, and the resulting reduction in CO₂ emissions, are shown in the graph below.

Total savings by weight-reduction efforts

Amount of Glass Saved:
46.987 tons

Amount of CO₂ Emissions Reduced:
34.770 tons



Waste Management

Recycling is our main approach to curbing waste, and this approach is in line with our high environmental values. All recyclable waste from our processes was returned to the production process through recycling plants, while other types of waste were responsibly and transparently disposed of in licensed plants to meet our sustainability expectations.

The Group recycles packaging materials in the domestic market and is fully compliant with regulations in all markets where we operate.

In 2013, a total of 11.143 tons of paper/carton packaging, plastic packaging, and composite packaging were recycled. Also, a total of TL554.147 was paid as a recycling fee, which was spent by the authorized organizations (CEVKO and TUKCEV) on education, promotion and awareness-raising activities for students, as well as recycling projects.

We strongly encourage the recycling of glass, as it is an infinitely recyclable material. We work with our stakeholders and sponsor projects to provide efficient and effective solutions to recycling.

In 2013, a total of **11.143 tons of paper/carton packaging, plastic packaging, and composite packaging were recycled.**

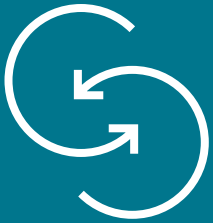


CASE STUDY ON WASTE MANAGEMENT: CHROMIUM COMPOUNDS PRODUCTION

CASE STUDY

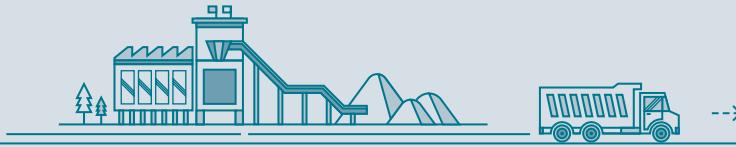
As a result of comprehensive R&TD studies, the subsidiary company of Şişecam, Soda San. A.Ş. has established a treatment plant named Former Technological Waste Neutralization Plant (FTWN), which is the first of its kind. This facility enables the Soda San. A.Ş. to neutralize its accumulated hazardous waste from former chromium compounds production technology and it has been commissioned by the Ministry of Environment and Urbanism, according to requirements of related regulation. A positive Environmental Impact Assessment (EIA) certificate has been issued for the new waste storage area according to the relevant EIA process, as well.

The total amount spent for FTWN has so far reached €9 million, €6,6 million of which has been allocated to fixed investment costs and €2,4 million to operating costs.



Optimizing Our Supply Chain

Raw Materials & Transportation



Transport of Finished Goods



Production Process



End User



End of Life or Recycling Management



CENTRAL SUPPLY CHAIN PROJECTS

Centralization in Purchasing

In streamlining our supply chain, we have conducted projects and established groups aimed at standardizing and centralizing our sourcing and processes. Notably, our Central Purchasing Department (CPD) has been responsible for the procurement of some materials and services being utilized at Şişecam plants since 2011. This team was formed for the following purposes: operational and time efficiencies, knowledge-sharing across plants, identification of alternative suppliers, and analysis for improvement and cost reduction.

When this team was launched, it initiated an evaluation of suppliers and services that can be purchased centrally. It also gathered all requirements from different plants and created a unique specification for each material through consolidation. This resulted in standardization of all specifications, thereby reducing costs for nearly 50 materials and services that were identified for central processing. Our plan is to have the centralization completed by 2015.

The results of centralization in purchasing for years 2012 and 2013 are shown below:

2012

Number of centrally purchased materials	Number of open tenders	Total purchase amount [TL]	Total Cost Reduction [TL]
24	38	113.985.000	5.331.000

2013

Number of centrally purchased materials	Number of open tenders	Total purchase amount [TL]	Total Cost Reduction [TL]
35	41	144.643.000	1.881.000

Aside from operational plants where we have significant control, our suppliers are also expected to implement Environmental Management System. We enforce our environmental policies outside the Group by conducting supplier audits and providing corrective action for incidents of noncompliance. Our audits are built on score-based assessments, and the ratings help us evaluate our relationships with these suppliers.



Şişecam Network Optimization

The aim of this project is to focus on Şişecam's logistics - warehouses and more efficient transportation flows to reduce cost and CO₂ emissions, particularly Scope 3 emissions. This project covers Turkish region, including all inbound and outbound transportation, taking into account the flow of raw and packaged materials, semi-finished goods, and finished goods. This project commenced in 2013 and will be completed by early 2015.

Cost Reduction in Transportation Equipment Management

The objective of this project is to promote cost-saving opportunities in material handling and also decrease wood usage which will lead to the protection of forests. Our aim is to search for alternative options to decrease the use of pallets and wooden end caps. We have started projects which serve to increase the use of rental pallets, second-hand pallets and plastic pallets. Even in some of our locations we started to find some solutions to ship the products in palletless pallet designs which will enable us to stop using wooden pallets at all. In addition, we are working on new stillage designs with a logistics partner to realise product shipments with these special designs without wooden end caps utilization.





Thriving Economies

- ECONOMIC IMPACT
- INDIRECT ECONOMIC VALUE
- CONTRIBUTING TO JOB CREATION

Economic Impact

Our significant operations in Turkey and internationally have generated material economic value and wealth for our stakeholders, and have enabled economic progress in all the countries where we have our operations. As a leading industrial group, we are determined to achieve superior performance for shareholders and committed to delivering added economic value through our products, operations and innovation.

In 2013, we contributed significantly to the Turkish GDP, with exports reaching \$837 million. Additionally, our direct economic value was distributed to our suppliers in the form of cost of sales, to our employees as compensation and benefits, to our creditors as interest, to our investors and shareholders as dividends, to the government as tax, and to communities as investments and donations.

The tables below illustrates that our global net sales in 2013 reached TL5.954 million, and operating costs, covering payments made to suppliers, amounted to TL4.460 million, representing over 86% of value distributed.

Our net sales in 2013 reached TL5.954 million, and operating costs, covering payments made to suppliers, amounted to TL4.460 million.

ADDED VALUE

	m TL
Sales revenue	5.954
Interest received	43
Dividend income from associates	31
Proceeds from sale of investment properties	309
Total	6.337

DISTRIBUTION OF ECONOMIC VALUE

		m TL	%
Suppliers	Cost of sales	4.460	86,5
Employees	Employee benefit expenses	326	6,3
Investors and shareholders	Dividends paid	87	1,7
Creditors	Interests paid	176	3,4
Government	Current income tax paid	101	2,0
Communities	Donations and sponsorship	7	0,1
Total		5.157	100

Indirect Economic Value

In addition to their direct economic contributions, our products are energy-efficient in production and also offer additional energy efficiencies in use. We are therefore making a significant indirect contribution to the Turkish economy, which is reliant on foreign energy resources, and bringing gains to the national economy in equal measure to the increase in efficiency. By producing products that ensure more efficient exploitation of renewable resources such as wind and solar energy, we contribute to clean energy production.

A further indirect economic contribution is the creation of employment opportunities along the value chain for the various business groups involved in conveying our products to final consumers, including logistic service providers, our customers, distributors and stores.

Contributing to Job Creation

In 2013, we had a total of 13.101 employees in Turkey and over 20.000 globally based in 13 countries.

Our business scale represents an opportunity for Şişecam to stimulate growth, seek the best talent and leverage local expertise in Turkey. Changing trends, behaviors and regulations require us to sharpen our familiarity with the communities where we operate and which we serve. In this regard, we consider our hiring of local resources as integral to building a robust business and ensuring our continued license to operate in and good relations with communities in our Turkish locations.

In 2013, we had a total of 13.101 employees in Turkey and over 20.000 globally based in 13 countries. The number of new employees in 2013 was 2.080.

OVERALL WORKFORCE PROFILE IN TURKEY

Working Group/Gender	2011			2012			2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Board of Directors	7	2	9	7	2	9	7	2	9
Senior Management	11		11	10		10	10		10
White-collar	3.238	1.031	4.269	3.176	1.040	4.216	3.438	1.079	4.517
Gray-collar	291	4	295	274	5	279	1		1
Blue-collar	8.357	33	8.390	8.446	35	8.481	8.255	50	8.305
Intern	51	35	86	79	34	113	87	43	130
Apprentice	146	1	147	114	1	115	126		126
Total	12.090	1.106	13.196	12.107	1.117	13.224	11.927	1.174	13.101



People and Workplace

- POLICIES AND CAREER ADVANCEMENT PROGRAMS •
- EMPLOYEE ENGAGEMENT •
- DIVERSITY AND INCLUSION •
- OCCUPATIONAL HEALTH AND SAFETY •

Policies and Career Advancement Programs

In 2013, total training hours for employees amounted to 175.641 man-hours, with 77.172 man-hours for white-collar employees and 98.459 man-hours for blue-collar workers.

We strongly believe that the success of Şişecam depends on our most valuable asset - our employees. To recruit the best talent, foster a culture of innovation and generate a favorable work atmosphere, we offer competitive compensation and benefits, including educational allowance and bonuses as well as annual vacation days, parental leave and marriage leave.

We also conduct regular performance reviews and training sessions to help build a solid foundation for our employees. Our leadership and development programs, which are articulated below, are designed to help our employees thrive, build on their existing abilities and gain new skills.

GLOBAL LEADERSHIP PROGRAM

This is a comprehensive and high-priority program that aims to build the most critical competencies for high-performance culture at the leadership level.

Intended results:

- Developing a global leader profile for Şişecam
- Defining required leader and employee competencies and behaviors in a high-performance culture
- Developing the communication plan for deploying the leadership model
- Designing internal competency trainings for managers and e-learning for employees

LEARNING & DEVELOPMENT PROGRAMS

Available to all levels of white- and blue-collar employees in Turkey, the common objective of these programs is to equip the participants with the right set of competencies and skills necessary to lead the organization to the realization of its strategic goals. In line with this objective, the main activities of the learning & development department can be summarized as follows: assessing the training and development needs at an individual level in terms of organizational competencies and occupational/technical skills; managing and updating a comprehensive learning & development catalogue; selecting and customizing the appropriate learning & development tools from the right resources; monitoring the impact of the activities and engaging in corrective action when necessary through constant feedback; and introducing new and innovative topics to the organization, which in turn contributes to the development of intellectual know-how.

In 2013, total training hours for employees amounted to 175.641 man-hours, with 77.172 man-hours for white-collar employees and 98.459 man-hours for blue-collar workers. To know more about our broad HR policies that support Şişecam's objectives, please read our Human Resources Policy and Strategies.

Some examples of contemporary learning & development programs:



Internal Trainer Development Program
(white- & blue-collar workers)

ALMOST **50 employees** SUCCESSFULLY COMPLETED THIS PROGRAM, WITH 20 STARTING THEIR OWN INTERNAL TRAINING PROGRAMS



Sales Academy

NEARLY **50 employees** ATTENDED THIS PROGRAM WITHIN THREE YEARS



Harvard Business School Advanced And General Management Programs

A TOTAL OF **12 alumni** WITH FOUR SERVING AS CURRENT GROUP PRESIDENTS



Leadership Academy

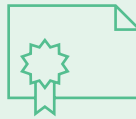
OVER **80 managers** COMPLETED THIS PROGRAM WITHIN THREE YEARS



Language Courses
RUSSIAN AND ENGLISH



Competency Development Program for Blue-collar Workers
(white-collar candidates)



Mechatronics Certificate Program

20 engineers ATTENDED THIS PROGRAM IN TWO YEARS



Glass Science and Technology Program

SEVERAL **worldwide** SYMPOSIUMS AND SEMINARS EACH YEAR



To know more about our broad HR policies that support Şişecam's objectives, please read our *Human Resources Policy and Strategies*.

Employee Engagement

An Employee Engagement Survey was conducted in 2013 with the aim of measuring our employees' engagement, involvement and satisfaction levels in their jobs.

Our employees' skills, motivation and commitment to Şişecam drive success in our goals and raise the bar for greater improvements; thus, we highly value our employees' views. As articulated in the following sections, we seek their opinions on strengths, weaknesses and opportunities in many aspects of our work environment through several mechanisms.

EMPLOYEE ENGAGEMENT SURVEY & ACTION PLANS

An Employee Engagement Survey was conducted in 2013 with the aim of measuring our employees' engagement, involvement and satisfaction levels in their jobs. An online survey method was used, and a total of 2.199 surveys were collected.

The survey results provided us with the overall satisfaction levels for each of the mentioned parameters, allowing us to prioritize them. For the next phase of this engagement, we will initiate an Employee Engagement Action Project, in which we will discuss identified priorities and the corresponding proposed solutions through workshops with diverse representatives from our business groups.

Further surveys were done to gauge other aspects of employee satisfaction, such as with our catering services or the product offerings at our cafeterias, as well as preferences in social activities. We also solicited feedback to evaluate employees' awareness of the Group's ethics policy.

With regard to internally communicating our corporate mission, vision and values, we have introduced the following programs:

Common Language Meetings were designed for the Şişecam management team with the following objectives:

- Facilitating a common perception of the importance of the corporate mission, vision and values
- Achieving shared goals and increasing effectiveness by strengthening interaction among management teams
- Supporting managers in becoming role models to employees as Şişecam transitions to a new corporate culture

The Development Ambassador Program is offered to employees who want to serve as volunteers who will support their colleagues during this transformation period at Şişecam. Development Ambassadors are expected to maintain close communication with their coworkers to see the way this new culture is resonating with them. Development Ambassadors have a critical role in spreading and supporting the sustainability of our values by:

- Ensuring that Şişecam's mission, vision and values are adopted in a sustainable way and that they're kept alive within Şişecam
- Disseminating the positive effects of this corporate transformation
- Strengthening employee engagement through support and coaching
- Being role models for Şişecam's development
- Building collaborations with employees

PERFORMANCE MANAGEMENT

Responsible for expanding the success of our performance culture and increasing organizational readiness, the Performance Management System works hand in hand with the vision, mission and strategies of the Group. Started by the Group in 2010, the Balanced Score Card system is aligned with individual targets. In line with this, our success-based performance culture is being converted into a success-based corporate culture. The purpose of the Performance Management System is to create value for employees and to ensure that the value created by employees serves the development and sustainability targets of Şişecam.

CAREER DEVELOPMENT

Şişecam offers opportunities for all employees to develop their careers through an integrated pre-planning of organizational and employee needs. Both the expectations of the individual and the requirements of the organization are addressed in the Career Development Plan, a part of the Performance Management System, in the career committees that are held regularly each year.

Moreover, strategic career maps, Group-based career and succession plans, are developed based on the data from the Performance Management System. In addition, employee competencies are reviewed at external Assessment Centers, where blue- and white-collar employees participate before being considered for promotion. If any development areas are identified in the process, development plans are prepared that match the needs of the individual.

Performance evaluation and career development systems are in place in the Şişecam for both blue- and white-collar staff. A regular performance and career development assessment of the preceding year is implemented for all staff, without regard for gender or worker category.

In implementing this system, managers objectively and sensitively assist the development of their staff. The employee is always informed of the results following the evaluation. The process is confidential.

SUGGESTION DEVELOPMENT SYSTEM

A Suggestion Development System was introduced in order to ensure the collection and appraisal of Group employees' innovative suggestions, adding value in line with Group strategy and objectives. This system involves approval of incoming suggestions by the Suggestion Reception Team, evaluation by the Suggestion Evaluation Team, and the monitoring of the whole process in an electronic environment. The purpose of the Suggestion Development System is to gather suggestions that add value, assess them in a reliable fashion, and implement any practicable suggestions in order to reap any financial return and/or process optimization benefits.

ŞİŞECAM CHOSEN BY TALENTED WORKERS

Approaches that support the global perspective of the Group in terms of selection and recruitment are intended to meet Şişecam's needs for a future-oriented and qualified workforce. Our recruitment department seeks to make Şişecam a preferred company for employees, and supports this goal by engaging in various communications activities in universities and other institutions, making contact with new graduates as well as professionals.

We manage these activities within the framework of our recruitment procedure criteria, which are designed not only to bring into the Group people who will help it to achieve its current and future goals, but also to ensure that the human resources available to us are placed in the right positions.

RECOGNITION & REWARDING SYSTEM

At Şişecam, there are three main recognition programs. Stars Making a Difference awards are granted to employees or initiatives centered on cultivating positive work relations, pursuing sustainability endeavors, and developing a constructive work environment. Development Stars, on the other hand, are given to employees or projects that excel in providing business-oriented solutions, such as improving the efficiency and effectiveness of Şişecam's processes and reinforcing Şişecam's brand value. Lastly, Şişecam Stars recognizes companies for their contributions to training support or their approach to environment and energy.

Diversity and Inclusion

We recently revisited the Şişecam Corporate Values to incorporate our employee strategy. Two of the core values of our organization implicitly acknowledge the importance of diversity and inclusion to our business. We performed a company-wide online employee survey, the results of which we integrated into Şişecam policies and values. As presented in the Values section under Corporate Governance of this report, two of our core values are:

- We exhibit a fair and transparent management approach.
- We respect differences.

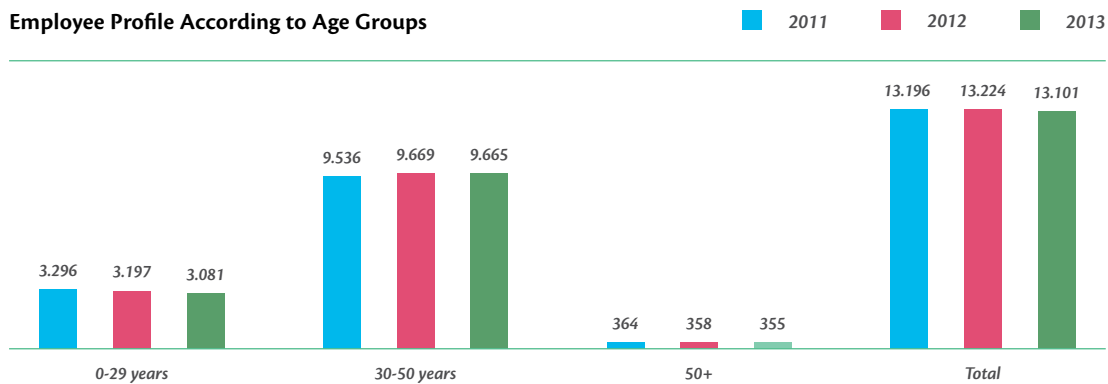
A fundamental value at Şişecam, “We respect differences” guides us to take an inclusive approach in considering the diverse insights at our company. By harnessing the knowledge and perspectives of our diverse workforce, we are well-positioned to bring the necessary improvements to our workplace, generate innovative solutions and strengthen our reputation as a global leader.

Consistent with this value, Şişecam reaffirms its commitment to equal opportunity with the value “We exhibit a fair and transparent management approach.” We strive to create an inclusive workplace and ensure that HR processes such as recruitment, career development and training are free of discrimination. Accordingly, no HR policies or procedures indicate any difference between male and female employees at Şişecam.

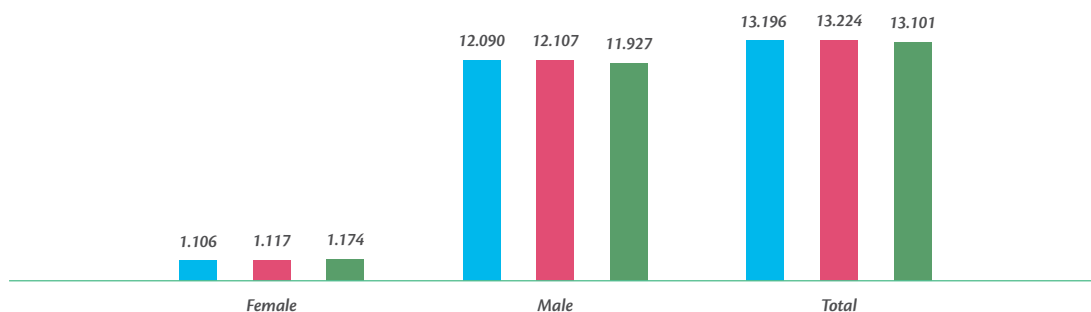
In 2013, 24% of our female workforce held managerial positions. Şişecam’s other diversity metrics in Turkey, according to age and gender, are illustrated below.

In 2013, 24% of our female workforce held managerial positions

Employee Profile According to Age Groups

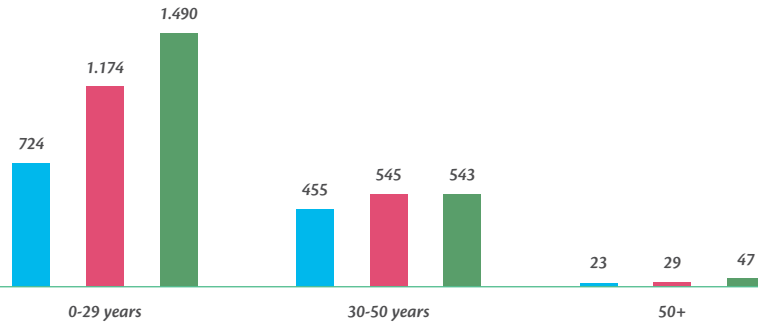


Employee Profile According to Gender

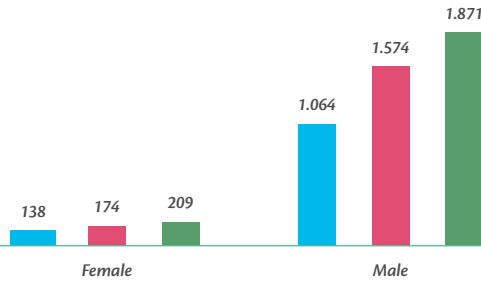


Profile of New Employees According to Age Group

2011 2012 2013

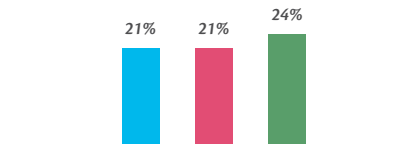
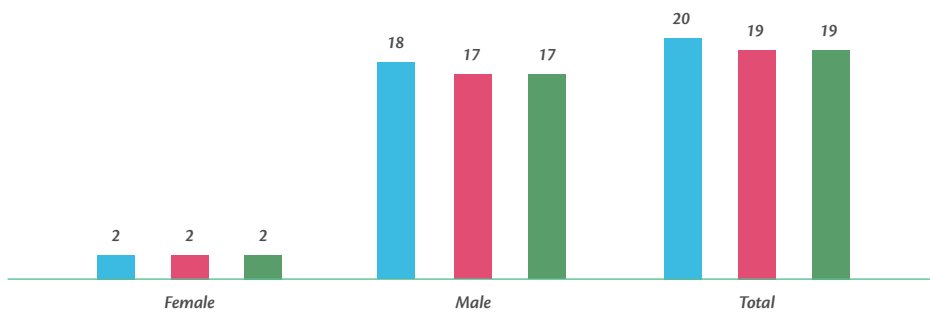


Profile of New Employees According to Gender



Governance Profile According to Gender

Women in Managerial Positions



Occupational Health and Safety

Şişecam's aim is to ensure safety in every aspect of our operations. In line with this, we adopt a stringent Occupational Health & Safety (OHS) Policy and a number of pertinent strategies to create a safe work environment for our employees.

As an industrial group with 19 production plants and more than 13.000 employees in Turkey, we recognize the magnitude of OHS to our business. Our overarching safety goal is to eliminate potential risks that could inflict damages to our employees. Material and moral damages arising from occupational accidents and injuries pose a major obstacle not only to our company, but also to our industry and to the economy as a whole.

Beyond costs, a healthy and safe working environment is also a prerequisite to efficiency and productivity. As such, we consider the design of our processes and enhance our emergency response capabilities to minimize the frequency and severity of accidents. Similarly, it makes business sense for Şişecam to pursue advanced technologies and innovation in facilitating an incident-free workplace.

Working environments and conditions are continuously improved and a conscious health and safety culture is being developed through projects carried out under the coordination of the Group's Industrial Relations Directorate.

OHS MANAGEMENT SYSTEM

The Group has set a high standard of OHS performance and formalized policies since 1989. In order to create consistency across the Group as well as comparability of performance with our peers, we strive to have the majority of our plants use the Occupational Health & Safety Advisory Services (OHSAS) 18001 Standard. Since 2006, we have implemented OHSAS 18001 Occupational Health and Safety Management Standards System in 90% of our production plants in Turkey.

OHS TRAINING

Şişecam believes that promoting a culture of health and safety is vital to our success in achieving our goal of steadily reducing the incidence rate of work accidents. For this reason and to exceed compliance with legislation, Şişecam provides regular training sessions to all employees that cover the following topics:

General Issues

- Information regarding the labor legislation
- Legal rights and responsibilities of employees
- Commercial cleaning and layout
- Legal consequences of occupational accidents and diseases

Since 2006, we have implemented **OHSAS 18001** Occupational Health and Safety Management Standards System in 90% of our production plants in Turkey.

Health Issues

- Causes of occupational disease
- Principles of disease prevention and protection techniques
- Biological and psychosocial risk factors
- First aid

Technical Issues

- Chemical, physical, ergonomic risk factors
- Manual lifting and carrying
- Flash, explosion, fire and fire protection
- Safe use of work equipment
- Work with display screen equipment
- Electricity, hazards, risks and precautions
- Implementation of the technical principles of the causes and prevention of occupational accidents
- Safety and health signs
- Use of personal protective equipment
- General rules of occupational health and safety and security culture
- Evacuation and rescue

In 2013, under the coordination of the Directorate, all OHS specialists within the organization of the Group received training on the “Document on Explosion-Prone Environments” and “Preparations for Protection from Explosions”. In addition, training on the topic of “Accident Investigation and Root-Cause Analysis” was provided to all OHS engineers at all workplaces within the Group.

In the same year, preliminary evaluations were carried out for fire hazards at factories. A Fire Safety Workshop was conducted with OHS specialists at 14 factories identified with the highest fire risk. Moreover, each factory conducted studies to identify its own risks and accordingly prepared manuals that were shared with managers and employees.

Aside from accident prevention, we also promote behavior-based safety through events organized at our factories during our annual National OHS Week. With a purpose of establishing a culture of health and safety in all workplaces, the OHS rules and practices were communicated to employees in an engaging manner through performances such as theatrical show about the importance of Personal Protective Equipments, the OHS questionnaire and a painting competition for employees' children about OHS.



OCCUPATIONAL HEALTH AND SAFETY POLICY

We aim to achieve every stage of our operations in a safe and healthy working environment. In line with this objective, as a part of our responsibility to create healthy individuals as well as manpower, we adopt strategies

- To prevent occupational accidents and occupational diseases by determining the necessary measures to implement and be implemented.
- To make risk assessments by the participation the employees and to reach the acceptable risk levels,
- To use the safe equipment and appropriate technologies for a healthy and safe working environment,
- To ensure the participation of our stakeholders each level of the organization in the improvement of occupational health and safety practices,
- To constitute Occupational Health and Safety culture and turn it into a lifestyle.

In this direction, we declare and undertake

- To meet the relevant standards and requirements in the field of legal obligations for Occupational Health and Safety,
- To increase our performance and our processes with a proactive approach on the continuous improvement on Occupational Health and Safety,
- To continue improving the education and activities of our employees and sub-contractors / suppliers to their employees, visitors, interns for adopting the principles of OHSAS.

General Manager

**WE THRIVE AND
DEVELOP TOGETHER**



MANAGERIAL REVIEW OF HEALTH AND SAFETY

Through visible leadership and engagement, we believe that we can increase our ability to mitigate health and safety risks. By conducting regular reviews and consultations between management and production plants, we are able to consistently monitor performance, provide any needed support for program implementation and respond to safety issues together with production plant workers.

OHS RESPONSIBILITY

All Şişecam subsidiary companies employ OHS Units that comprise an Occupational Health and Safety Expert, Workplace Physician and Medical Personnel, who serve under the company manager. Companies and plants carry out their own internal OHS activities and monitor their results. A Central OHS Expert serves as the coordinating body, providing support on OHS-related developments, including changes in regulation, training courses, meetings and special events, among others. Additionally, the central unit carries out annual OHS measurement and monitoring activities in plants, and issues reports of their results.

OHS PROJECTS

As part of our commitment to health and safety, the Group identified areas of improvements in the course of 2013 and set targets accordingly. The table summarizes these focus areas:

Area of Improvement	Project	Project Results for 2013
OHS Performance Measurement System	Establishing SAP (System Application and Products) infrastructure to improve workplace accidents analysis	All minor and major workplace accidents are recorded in the system (along with all photos, forms, records, witness accounts, etc., regarding the incident) in all stages, preventing incomplete data during root-cause analysis.
	Establishing SAP infrastructure to improve CAPA (Corrective & Preventive Actions) system follow-up	The system, implemented in Şişecam plants, ensures rapid identification of nonconformities encountered in the field.

The current Workplace Accidents Analysis Tracking program has been improved to adapt to Şişecam's ever-evolving and changing structure, and a new Corrective & Preventive Actions [CAPA] system has been established to ensure more thorough measurement of workplace accidents.

Integrated with SAP, the CAPA system is available to all workplaces and units, including the management and sales centers, and provides capabilities to track and control workplace accidents in a systematic manner.

Aside from tracking and preventive measures, these projects enable Şişecam to disclose accurate data and generate reports. This reporting protocol enables Şişecam to provide clear and transparent communications to employees and managers.

Further, we formed a Workplace Accidents Evaluation Commission to reduce work-related incidents using root-cause analysis. The Commission evaluated each workplace accident caused by "Intervention to Working Machines", "Being Crushed between Two Objects" and "Glass Punctures". The Commission report containing case studies and recommendations was disseminated to our plants.

Strong Industrial Relations

At Şişecam, we respect and support our employees' right to join a union. We have relations with seven trade unions in various branches of businesses under the coordination of our Industrial Relations Directorate. Our Industrial Relations Vision is:

- To increase competitiveness and efficiency by developing industrial relations in a balanced within the framework of Group policies,
- To maintain industrial harmony in the workplace based on trust and dialogue with trade unions,
- To undertake promotion of health and safety at work in line with our "people first" philosophy.

In this vein, in 2013 we continued our informative meetings with departments on changes in legislation in several branches of businesses such as business law and industrial health and safety. We carried out dialogue and coordination efforts in order to maintain industrial harmony in the work environment based on mutual trust and dialogue with organized trade unions.

The percentage of employees covered by our collective labor agreements was 63% in 2011, 65,2% in 2012, and 63% in 2013.

The percentage of employees covered by our collective labor agreements was 63% in 2013.



Building Our Social Capital

- CONTRIBUTING TO EDUCATION
- CONTRIBUTING TO CULTURAL VALUES
- CONTRIBUTING TO ENVIRONMENTAL VALUES
- CONTRIBUTING TO SPORTS

Contributing to Education

Our social responsibility framework is built on the premise that partnerships with educational institutions can help bring about economic growth in the communities where we operate and at the same time provide valuable insight to our business activities and provide continuous training to our employees. Because we rely heavily on talent and knowledge, we consider universities as one of our key stakeholders, as indicated in the Our Stakeholders and Material Aspects section. By providing qualified employees access to internationally renowned educational programs in their own fields, we continue to invest not only in our human resources but also in the future of Şişecam.

Şişecam grants the Education Incentive Scholarship to employees of the Group and their children for purposes of education. In 2013, scholarships amounting to TL2,2 million were granted.

As for educational programs in the community, the Manual Glass Production Plant in Denizli has been providing three years of apprenticeship training programs for youths between the ages of 16 and 21 since 1990. The courses cover theoretical and practical training led by qualified workmen, masters and master instructors, in accordance with the master-apprentice tradition.

We also have joint development and consulting projects with a number of universities and research organizations such as METU Solar Energy Research Center, National Nanotechnology Research Center at Bilkent University, Boğaziçi University, Sabancı University, Akdeniz University and Middle East Technical University, among many others, to assist with our R&TD projects in glass production – from product design to process reengineering.

Other educational initiatives include:

Seminars in Universities

Presentations aimed at providing information about the sustainability of glass were delivered to nearly 1.000 university students through the “Green Sector Days” seminar at Yıldız Technical University and “Glass Recycling” seminar at the Marmara University.

Several educational programs related to energy efficiency in buildings were organized at architecture and engineering faculties of various universities in order to educate the future’s decision makers.

The Glass Symposium

The Glass Symposium, organized for that past 28 years for the purpose of sharing the R&TD activities carried out across Şişecam, was held at Istanbul University for the first time ever this year, with the aim of reaching external participants. Three hundred employees of Şişecam and 43 lecturers and students from 19 universities attended the symposium.

In 2013, scholarships amounting to **TL2.182.751** were granted.





The Reflections from Glass Conference

Our “Reflections from Glass–Testing the Limits of the Material” conference brought together architects and engineers who have been involved in important projects in the national and international arena in order to showcase the most recent developments in the use of glass in architecture.



Isicam Konfor Saving Academy

Under “Isicam Konfor Saving Academy” project, events for children were sponsored at shopping malls to promote the importance of energy-efficient glass in buildings. In addition, 2.000 construction sector professionals were educated about energy - efficient glass through seminars.

Contributing to Cultural Values

THE COLLECTION OF ANTIQUE GLASS WORKS

Aimed at preserving our cultural heritage, Şişecam’s collection of 527 antique glass works is registered with the Archeology Museum of Istanbul. The collection is displayed in a special hall in the Şişecam head office building. The Glass Hall of the Bodrum Underwater Archeology Museum was opened in 1985 to the public, under the sponsorship of Şişecam.

THE HISTORY-CULTURE-GLASS COLLECTIONS

The first of the History-Culture-Glass collections was presented in 1999, reflecting the historical and cultural background of Anatolia through glass art works. This project was initiated in line with Şişecam’s efforts to preserve our cultural heritage and share it with future generations. A total of 414 glass items with artistic value have been produced so far under the 12 glass collection series. In 2013, the Zevk-i Selim Collection was added to the series. The prior 11 collections were Ottoman Collection, Islamic Glass Collection, Çeşm-i Bülbül Collection, Mosaic Collection, Beykoz Collection, Anatolian Civilizations Collection, Blue and White on Glass Collection, Calligraphy on Glass Collection, Patience and Reconciliation Collection, Alliance of Civilizations Collection, Mystery of 7 Collection, Aşure Collection, Istanbul Collection and the Talking Banknotes-Coins collections.

Contributing to Environmental Values

CAM YENİDEN CAM (GLASS AND GLASS AGAIN) PROJECT

The Cam Yeniden Cam (Glass and Glass Again) Project, launched by the Glass Packaging Group in collaboration with the ÇEVKO Foundation and local administrations in 2011, is one of the most comprehensive sustainability and social responsibility projects in Turkey. In collaboration with 42 local municipalities in various cities, including Mersin, Ankara, Izmir, Muğla, Manisa, Istanbul, Edirne, Kocaeli and Tekirdağ, the Group provided support in raising public awareness, developing waste collection infrastructures and modernizing glass recycling plants. In this regard, training on recycling was given to a total of 113.000 primary school students; 5.510 containers were donated; and glass-breaking machines were provided to the municipalities for use at restaurants and hotels where glass consumption is high. You can find more information in the Cam Yeniden Cam (Glass and Glass Again) Project section of Greenhouse Gas (GHG) Mitigation.



POSTER DESIGN COMPETITION

In 2013, the Glass Packaging Group organized a poster design competition across Turkey with the aim of raising recycling awareness. A total of 226 designed posters carrying the theme of “Glass Bottles and a Sustainable Future” were developed and submitted by students from 17 universities with backgrounds in graphic design and visual communication. Of the total number of designed posters, 50 were exhibited at the Rahmi M. Koç Museum between April 26 and May 13, 2013.

DRAWING COMPETITION

An event that has been held annually since 2002, a drawing competition with an environment and nature theme was recently organized in Mersin that involved the participation of various primary schools. In this competition, submissions of mentally disabled individuals were evaluated independently.





HAYATA CAM KAT (ADD GLASS TO LIFE) PROJECT

In the scope of “Hayata Cam Kat [Add Glass to Life]” project, the Glass Packaging Group launched an online platform, hayatacamkat.com, that focuses on glass packaging, sustainability, recycling and environment. A total of 169.000 people visited the site in 2013, and its Facebook page reached 21.000 followers in the same year.

OPEN DOOR DAY

Soda Sanayi A.Ş. initiated Open Door Day activities centered on its Responsible Care commitment. Guests from universities, NGOs and vocational schools were given the chance to visit the factory and learn about the technical aspects of the company's processes.

A total of 169.000 people visited the Glass Packaging Group's online environmental platform hayatacamkat.com in 2013, and its Facebook page reached 21.000 followers in the same year.

FORESTATION

An area of 5.000 to 10.000 square meters at all Şişecam plant sites is allocated for forestation. In addition, Şişecam Memorial Forests are brought to life in all regions where Şişecam conducts its operations. A Şişecam Memorial Forest with an area of 368.000 square meters is located in the Yalıköy region, where CamiŖ Madencilik A.Ş. has quarries and plants. This particular site resulted from our forestation projects begun in 2000. Tree planting activities, initiated by Soda Sanayi A.Ş. in the Mersin region in 2006, are traditionally organized each year for the forestation of new areas. As a result of sapling planting ventures started by Denizli Cam Sanayi ve Ticaret A.Ş. in the Cankurtaran region, a mini forest with trees covering an area of 3.000 square meters has been developed.



COOPERATION WITH THE PUBLIC SECTOR

Technical Support is given to public institutions in order to provide project-based solutions for energy-efficient buildings. Within the scope of the 'renovation of public buildings to energy-efficient buildings' project, the first case study is the renovation of Trabzon Ahi Evran Hospital together with Ministry of Health and Ministry of Environment and Urbanism. This project will serve as a model for other public hospitals and going forward, all the public buildings will be renovated with energy-efficient glasses.

Flat Glass Group took an active role in the revision of the Turkish Standard for Heat Insulation on Buildings to ensure the use of energy-efficient glass in new buildings.

Another example of our collaboration with the public sector is Flat Glass Group's participation in the National Energy Efficiency Exhibition. This was organized by Ministry of Energy and Natural Resources in order to increase awareness about energy-efficient glass products and to emphasize their contribution to environmental and economic values.



THE PROJECT FOR THE PRESERVATION OF THE KAZANLI SEA TURTLE POPULATION

It is a well-known fact that endangered sea turtles have been using the beach in a district of the province of Mersin as an egg-laying site for hundreds of years. The objective of the Kazanlı Sea Turtles Project, carried out by Soda Sanayi A.Ş. since 2007, is to preserve the endangered *Caretta Caretta* and *Chelonia Mydas* species of sea turtle and their nesting areas while raising awareness on this important issue. This project also aims to provide benefits to eco-tourism, culture and social economics in the area. The most important contribution to the Kazanlı Sea Turtles Project comes from the efforts of young local volunteers and students of the Biology Department at Mersin University. In 2013, the number of turtle nests within the coastline of the Kazanlı District reached its highest level.



Contributing to Sports

In the Pirat League, our two sailors earned a place to represent Turkey in the Pirat World Cup Races held in 2014 as a result of their success in the National Team Selection Races.

THE ŞİŞECAM ÇAYIROVA SPORTS CLUB

The Çayırova Sports Club, founded by Şişecam under the name of the Çayırova Sailing Specialty Sports Club, commenced operations at the Çayırova Sports Facilities in 1982 with the objective of leading young people into sports and contributing to the physical and moral development of youth through sports. The Club obtained federation club status from the General Directorate of Youth and Sports in 1984.

A staff of 100 athletes, ranging from managers, young athletes and trainees in the sports of sailing, rowing and canoeing, serve to help our Club train young athletes for Turkey's national teams, which have achieved widespread success in various types of sports.

Canoeing

In canoeing, our athletes achieved great success, winning 28 first-place, 24 second-place and 16 third-place awards in national competitions and garnering one first-place, four second-place and four third-place awards in international races. In the 17th Mediterranean Games held in Mersin in 2013, one of our sportswomen placed sixth in the finals and one sportsman took third place in the finals, which was the first medal ever won by the Turkish National Team in canoeing in this particular competition.

Sailing

The Club's Optimist 5 and Laser 2 sailors obtained Ranking Scores in the Federation Cup Sailing Races and qualified to participate in the Turkish Championship Finals. Our team achieved great success in winning third place in their categories in the 75th annual Pirat League Cup and second place in Turkey in the Pirat Turkey Championship. In the Pirat League, our two sailors earned a place to represent Turkey in the Pirat World Cup Races held in 2014 as a result of their success in the National Team Selection Races.



Rowing

Our rowing teams won first prize in the TMOK Sea Rowing Races. The Club's rowers won the team championship in the Youth and Junior Girl's category, second place in the Star Girls category and third place in the Youth Star and Junior Men's category in the Turkish Youth Championships. Our four rowers won third place in the Balkan Youth Championship held in Belgrade, Serbia.





Awards and Recognition

ŞİŞECAM

Turkish Exporters' Assembly (TIM) Award to the Sector Leader, Şişecam

At the 20th General Meeting of the Turkish Exporters' Assembly (TIM), Şişecam was honored as the company achieving the largest volume of exports in the Cement, Glass, Ceramic and Earth Products sector during 2012.

Şişecam, Export Champion of 2012

Şişecam was recognized as an "Export Star of 2012" at the Stars of Export Prize Ceremony jointly organized in May 2013 by Dünya newspaper and DHL Express Turkey. Deputy Prime Minister Ali Babacan awarded the Exporter of the Year prize to Şişecam.





EBRD Energy Award

In 2013, Şişecam had the honor of being one of the three companies recognized by the European Bank for Reconstruction and Development (EBRD) for the energy efficiency studies. We were also the only company from Turkey that received a prize in the Sustainable Energy and Climate Change Category for our ongoing efforts to mitigate our operational footprint in this energy-intensive industry.



W.E.S. Turner Award

In 2013, Şişecam Research and Technology Director Gülçin Albayrak was awarded the W.E.S. Turner Award (International Commission on Glass-ICG) for her contribution to the ICG Technical Committee.

PERYÖN Award

PERYÖN (People Management Association of Turkey), the first Turkish NGO in the field of people management, brought experts from different fields together at the 21st People Management Congress. Thousands of professionals from different sectors had the opportunity to share their experiences, and learn from various examples of application, extensive research and new approaches. During this event, Şişecam was presented a Plaque of Appreciation for its contribution and collaboration.

FLAT GLASS GROUP

- Trakya Yenişehir Cam San. A.Ş. received a prize in the “Thermal Power Stations-Waste Heat” section of the ICCI 2013 Energy Oscars for its Waste Heat Energy Production Facility.
- Trakya Cam San. A.Ş. also received the 2013 Sheet Material award for its new product TRC Coolplus T.
- Trakya Yenişehir Cam San. A.Ş. received the “Most Successful Industrial Enterprise” award from the General Directorate for Renewable Energy of the Ministry of Energy and Natural Resources for its Waste Energy Production Project.
- Trakya Yenişehir Cam San. A.Ş. received the “Honour Prize in Occupational Health and Safety Approach” from Şişecam for its performance in reducing the accident frequency rate in 2013.
- Trakya Cam San. A.Ş. Mersin Plant received the “Admiration Prize in Occupational Health and Safety Approach” from Şişecam for its performance in reducing the accident frequency rate in 2013.
- Trakya Cam San. A.Ş. Yenişehir Plant received an “approach to environment and energy” prize from Şişecam for its performance on energy and water consumption, recovery/recycling rates, and reduction of waste and CO₂ emissions in 2013.



GLASS PACKAGING GROUP

- Anadolu Cam San. A.Ş. received two silver, one bronze and three highly commended awards for six designs at the Packaging Moon and Stars Awards organized by the Packaging Industrialists' Association.
- Anadolu Cam San. A.Ş. received awards for four products in the Worldstar Awards organized by the World Packaging Organization.
- Anadolu Cam Yenişehir San. A.Ş. received “Admiration Prize in Occupational Health and Safety Approach” from Şişecam, for its performance in reducing the accident frequency rate in 2013.
- Anadolu Cam San. A.Ş. Mersin Plant received an “approach to environment and energy” prize from Şişecam, for its performance on energy and water consumption, recovery/recycling rates, and reduction of waste and CO₂ emissions in 2013.



GLASSWARE GROUP

- The Suadiye store of Paşabahçe Mağazaları A.Ş. received Store of the Year award by readers of P.S.M. [Payment System Magazine] in the “P.S.M. Retail Star of the Year” section of its awards.
- Paşabahçe Cam San. A.Ş.'s Denizli Glass and Paşabahçe sales team received an “Outstanding Service” award from the Williams-Sonoma company, one of Paşabahçe's largest customers in the USA, as part of its Wine Collection project.
- Paşabahçe received “The Number 1 Brand Chosen by Shopping Center Consumers” award in the home decoration category survey conducted by the Council of Shopping Centers.



- Paşabahçe Cam San. A.Ş. received awards for four products in the B2B sector of the International 2012 Hermes Creative Awards organized by Association of Marketing & Communication Professionals.
- Camiş Ambalaj San. A.Ş. received a prize for its carton with carrying handle in the Worldstar Awards organized by the World Packaging Organisation.
- Camiş Ambalaj San. A.Ş. received one bronze and one highly commended award in the Packaging Moon and Stars Awards Competition organized by Packaging Manufacturers Association.
- Camiş Ambalaj San. A.Ş. received one bronze and one highly commended award in the Golden Packaging Awards organized by Packaging Manufacturers Association.
- Paşabahçe Cam San. Ve Tic. A.Ş. Eskişehir Plant received an “Admiration Prize in Occupational Health and Safety Approach’ from Şişecam for its performance in reducing the accident frequency rate in 2013.
- Denizli Cam San. A.Ş. received an “approach to environment and energy” prize from Şişecam for its performance in energy and water consumption, recovery/recycling rates, and reduction of waste and CO₂ emissions in 2013.

CHEMICALS GROUP

- Soda San. A.Ş. received the export record-holder's prize in the Chemical Substances and Products category.
- Camiş Madencilik A.Ş. received an “Admiration Prize in Occupational Health and Safety Approach’ from Şişecam for its performance in reducing the accident frequency rate in 2013.
- Oxyvit San. A.Ş. received an “approach to environment and energy” prize from Şişecam for its performance in energy and water consumption, recovery/recycling rates, and reduction of waste and CO₂ emissions in 2013.



Looking Back, Looking Forward

LOOKING BACK, LOOKING FORWARD

With almost eight decades of expertise in glass and chemicals, Şişecam has become synonymous with excellence in flat glass, tableware glass, glass packaging and glass fiber as well as soda and chromium compounds. We take pride in the range and depth of our product line and in our brand recognition, not only in Turkey but also beyond its borders.

With manufacturing activities in Turkey, Germany, Italy, Bulgaria, Romania, Slovakia, Hungary, Bosnia-Herzegovina, the Russian Federation, Georgia, Ukraine, Egypt and India, Şişecam is the second-largest glassware, fourth-largest flat glass and fourth-largest glass packaging manufacturer in Europe in terms of production capacity.

Founded in 1935, Şişecam has been instrumental in the Turkish economy and in global economies over the years. We enable progress and improve people's lives by delivering products needed for commercial application in multiple sectors – from flat glass products used in the construction, home appliances and automotive sectors; to glassware and glass packaging for household, cosmetic, pharmaceutical, food and beverage enterprises; to soda and chromium compounds used in the detergent and leather industries. Acknowledging the growing focus on green products, our mission to provide essentials for businesses and consumers is now inseparable from our sustainability commitment.

Associated with this growth strategy is our commitment to reporting on sustainability and on the breadth of our business activities, with adherence to high standards of transparency and accountability. As a world-class industry leader, we believe that communicating our efforts and progress demonstrates our firm dedication to our valued stakeholders. Prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines at the Core level, this is our first Sustainability Report covering our facilities in Turkey from 2013 to 2014. While rising to the top as one of the leading companies in glass and in our other business activities, we aspire to be a global company that collaborates with business partners to pioneer groundbreaking solutions; that applies advanced technologies to manage our environmental impact; and that promotes a respectful and inclusive workplace to empower employees. Our mission is to be a company that adds value to people's lives through our high-quality products.

Critical to our business and sustainability efforts are our compliance with global standards and industry best practices, and the optimization of our business groups and their supplier network. As an international industrial group, the adoption of standards and effective supply chain planning are pivotal to our license to operate and maximization of shareholder value. The benefits of international frameworks and value chain management – improvement of operations, access to new markets, increased market share and environmental management – are important to enhancing our production in international regions, acquiring investments and employing global talent.

At the core of Şişecam and our sustainability journey is the basic principle that every step counts. While we recognize that we are still in the process of augmenting our sustainability strategy, we are proud of the initiatives we are spearheading and their impact in the grand scheme of things.

As we look further into the future, we will continue working to solidify our programs and progress based on successful engagements with our stakeholders. Our vision for the next three to five years is a continued focus on our energy efficiency improvement projects. We plan consistent support and investment in our sustainability innovation to further develop and improve our products and processes. We aim to meet and exceed the highest compliance standards locally and globally. Our vision for 2020 is to be within the top three in the glass league and to be a positive force for good. These aspirations motivate us to set our sights higher every year, and the convergence of these all our efforts shall sustain our success for years to come.



GRI Index

Strategy and Analysis		
G4-1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	Leadership Message
G4-2	Description of key impacts, risks and opportunities	Leadership Message, Sustainability Roadmap, Our Sustainability Approach
Organizational Profile		
G4-3	Name of the organization	Front Cover; Group Structure
G4-4	Primary brands, products and/or services	Global Scale and Presence, Group Structure
G4-5	Location of the organization's headquarters	Global Scale and Presence; Group Structure
G4-6	Countries where the organization operates	Global Scale and Presence, Group Structure
G4-7	Nature of ownership and legal form	Group Structure
G4-8	Markets served	Global Scale and Presence, Group Structure
G4-9	Scale of the organization	Şişecam at a Glance
Financial Performance		
G4-10	Total number of employees by type	Contributing to Job Creation; Diversity and Inclusion
G4-11	Employees covered by collective bargaining agreements	Strong Industrial Relations
G4-12	Description of supply chain	Optimizing our Supply Chain
G4-14	Precautionary approach	Protecting the Environment; Policy and Action
G4-15	External charters, principles, or other initiatives	Global Standards and Initiatives
G4-16	List memberships of associations and national or international advocacy organizations	Partnerships and Memberships
Identified Material Aspects and Boundaries		
G4-17	Entities included in financial statements	Financial Performance
G4-18	Process for defining report boundaries and content	Our Stakeholders and Material Aspects
G4-19	Material aspects included in the report	Our Stakeholders and Material Aspects
G4-20	Boundaries of material issues/internal	Our Stakeholders and Material Aspects
G4-21	Boundaries of material issues/internal	Our Stakeholders and Material Aspects
G4-22	Restatements	Our Stakeholders and Material Aspects
G4-23	Changes from previous reports in terms of scope and/or boundaries	Our Stakeholders and Material Aspects

Stakeholder Engagement		
G4-24	Stakeholder groups	Our Stakeholders and Material Aspects
G4-25	How stakeholders were identified	Our Stakeholders and Material Aspects
G4-26	Approach to stakeholder engagement	Our Stakeholders and Material Aspects
G4-27	Topics raised during stakeholder engagements	Our Stakeholders and Material Aspects
Report Profile		
G4-28	Reporting period	Letter from the Sustainability Coordinator
G4-29	Date of most recent report	Letter from the Sustainability Coordinator
G4-30	Reporting cycle	Our Stakeholders and Material Aspects
G4-31	Report contact	Back Cover
G4-32	Content index	Our Stakeholders and Material Aspects
Governance		
G4-34	Governance structure of the organization	Risk Management and Internal Control Mechanism
G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	Sustainability Governance, Our Stakeholders and Material Aspects
G4-36	Board executive for sustainability	Sustainability Governance
G4-37	Stakeholder representation in the board	Our Stakeholders and Material Aspects
G4-38	Composition of the board and its committees	Risk Management and Internal Control Mechanism
G4-39	Whether the chair is also an executive officer	Risk Management and Internal Control Mechanism
G4-40	Nomination and selection processes	Risk Management and Internal Control Mechanism
G4-41	Processes for board's management of conflicts of interest	Risk Management and Internal Control Mechanism
G4-42	Board's and executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainability impacts	Sustainability Governance
G4-43	Board's collective ESG knowledge	Sustainability Governance
G4-45	Role of the board in ESG, stakeholder consultations	Sustainability Governance, Our Stakeholders and Material Aspects
G4-48	Highest position reviewing the report	Letter from the CEO

G4-49	Process for communicating critical concerns to the board	Risk Management and Internal Control Mechanism
G4-50	Critical concerns and actions	Business Ethics and Integrity
G4-52	Process for determining remuneration	Risk Management and Internal Control Mechanism
Ethics and Integrity		
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Business Ethics and Integrity
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	Business Ethics and Integrity

Specific Standard Disclosures / Material Issues

Economic Performance

DMA	Financial Performance, Our Stakeholders and Material Aspects
EC1	Financial Performance, Economic Impact

Indirect Economic Impacts

DMA	Thriving Economies, Our Stakeholders and Material Aspects
EC -8	Thriving Economies, Indirect Economic Value

Energy

DMA	Energy Management, Our Stakeholders and Material Aspects
EN-3	Energy Management - Tables, Total Energy Consumption and Energy Density Information of our Local Production Companies
EN-4	Energy Management - Tables, Total Energy Consumption and Energy Density Information of our Local Production Companies
EN-5	Energy Management - Tables, Total Energy Consumption and Energy Density Information of our Local Production Companies

Emissions

DMA	Energy Management, Our Stakeholders and Material Aspects
EN-15	Greenhouse Gas (GHG) Mitigation - GHG Performance Table
EN-16	Greenhouse Gas (GHG) Mitigation - GHG Performance Table
EN-17	Greenhouse Gas (GHG) Mitigation - GHG Performance Table

Effluents and Waste	
DMA	Waste Management, Our Stakeholders and Material Aspects
EN-23	Waste Management
Products and Services (Environment)	
DMA	Sustainable Products, Our Stakeholders and Material Aspects
EN-27	Sustainable Products, Case Studies on Energy, GHG and Resource Efficiency
Environmental Compliance	
DMA	Environmental Compliance, Our Stakeholders and Material Aspects
EN-29	Environmental Compliance
Overall on Environment	
DMA	Policy and Action, Our Stakeholders and Material Aspects
EN-31	Policy and Action
Employment	
DMA	People and Workplace, Our Stakeholders and Material Aspects
LA -1	Contributing to Job Creation – Tables, Employment Figures in Turkey
Occupational Health & Safety	
DMA	Occupational Health and Safety Policy, Our Stakeholders and Material Aspects
LA-5	Health and Safety Policy, Managerial Review of Health and Safety
Training and Education	
DMA	Education, Policies and Career Advancement Programs-Learning and Development Programs, Our Stakeholders and Material Aspects
LA-9	Learning and Development Programs
LA-10	Policies and Career Advancement Programs
LA-11	Recognition and Rewarding System
Diversity and Equal Opportunity	
DMA	Diversity and Inclusion, Our Stakeholders and Material Aspects
LA - 12	Diversity and Inclusion - Tables

Anti-Corruption	
DMA	Business Ethics and Integrity, Our Stakeholders and Material Aspects
SO-3	Risk Management and Internal Control Mechanism
Freedom of Association and Collective Bargaining	
DMA	Occupational Health and Safety, Our Stakeholders and Material Aspects
HR-4	Strong Industrial Relations



*For more information about our Sustainability Report,
please contact:*


Dilek Bolcan
Environment and Sustainability Manager
dbolcan@sisecam.com
Tel: +90 (212) 350 3968

Graphic Design & Layout
Denk Design / denkdesign.net

*Şişecam provides no guarantee as to the results that can be obtained by using the information in the Sustainability Report,
in particular with regard to its accuracy and completeness, or in respect of whether the quality of information meets your needs and wishes.*



*The full Report is available on our website at www.slsecam.com.tr
In line with our sustainability approach, we have a limited number of printed versions of the Report.*

 *This report is printed on recycled paper.*